



FOREIGN
BROADCAST
INFORMATION
SERVICE

JPRS Report

DISTRIBUTION STATEMENT A

**Approved for public release
Distribution Unlimited**

Near East & South Asia

ALGERIA

19980129 139

DTIC QUALITY INSPECTED 2

Near East & South Asia

ALGERIA

JPRS-NEA-92-151

CONTENTS

9 November 1992

POLITICAL

International Affairs

Mauritanian Foreign Minister Invites Kafi to UMA Summit	<i>[Algiers Radio]</i>	1
Diplomatic Relations Established With Croatia	<i>[APS]</i>	1
'Afghan' Ties To Massoud; Civil War 'Possible'	<i>[L'EXPRESS 21 Aug]</i>	1

Regional Affairs

Oran Arrest 'Links' Moroccans to 'Terrorists'	<i>[LIBERTE 20 Sep]</i>	2
Polisario Threatens 'Guerrilla War' on Morocco	<i>[AFP]</i>	2

Internal Affairs

Abdesselam's Return to Power, Motives, Ambitions	<i>[ALGERIE ACTUALITE 1-7 Oct]</i>	2
PAGS Coordinator on Reconciliation With FIS	<i>[ALGERIE ACTUALITE 1-7 Oct]</i>	7
SIT Structure, Role in 'Terrorist Acts'	<i>[ALGER REPUBLICAIN 2-3 Oct]</i>	11
Forest Fires Suggest New Ways To Destabilize	<i>[LIBERTE 27 Sep]</i>	11
New Antiterrorism Decree Has Tougher Sentences	<i>[APS]</i>	12
Editorial: 'Point of No Return' Reached	<i>[EL WATAN 28 Sep]</i>	13
Police Attacked, Robbed While on Patrol	<i>[EL WATAN 28 Sep]</i>	13
Violence 'Not Threatening' Foreign Oil Partners	<i>[EL WATAN 23 Sep]</i>	14
'Serious' Security Problems in Southern Provinces	<i>[EL WATAN 30 Sep]</i>	14
'Terrorists' Found With 220 Kg of Cannabis	<i>[LIBERTE 20 Sep]</i>	15
Security at Skikda Industrial Zone Discussed	<i>[LIBERTE 27 Sep]</i>	16
New Security Measures at Airport Detailed	<i>[EL WATAN 4 Oct]</i>	17

ECONOMIC

Unions Respond to Government Action Plan	<i>[ALGER 22 Sep]</i>	18
Plans To Increase Oil Production Announced	<i>[ALGER 22 Sep]</i>	18
Fiscal Aspect of Government Plan Discussed	<i>[ALGER 20 Sep]</i>	18
Contradictions, Complexities of Recovery Plan	<i>[L'OBSERVATEUR 23-29 Sep]</i>	19
Foreign Currency Reserves Reportedly Increasing	<i>[EL WATAN 28 Sep]</i>	20
Multiple Exchange Rate; Background, Intent Noted	<i>[L'OBSERVATEUR 23-29 Sep]</i>	21
Steps Toward Market Economy Assessed	<i>[L'OBSERVATEUR 23-29 Sep]</i>	22
Parallel Economy 'Threatening' Official Economy	<i>[LIBERTE 21 Sep]</i>	23
Private Sector 'Suffering' Due to Shortages	<i>[EL WATAN 23 Sep]</i>	23
Proposed Investment Code: Advantages Detailed	<i>[LIBERTE 21 Sep]</i>	24
Bread on Black Market Creates Shop Shortages	<i>[EL WATAN 1 Oct]</i>	25
Figures on Grain Production Reported	<i>[ALGER 20 Sep]</i>	25
Leather, Textile Sector 'Seriously' Hit by Crisis	<i>[ALGER 20 Sep]</i>	26
Oran: Workers Laid Off Due to Financial Problems	<i>[EL WATAN 13 Sep]</i>	26
Figures on Layoffs, Sectors Affected	<i>[EL WATAN 15 Sep]</i>	27
Firms in Bouira Reportedly Unable To Pay Workers	<i>[LIBERTE 24 Sep]</i>	28

SOCIAL ISSUES

Family Planning Center Opens; Service Praised	<i>[LIBERTE 27 Sep]</i>	29
---	-------------------------	----

International Affairs

Mauritanian Foreign Minister Invites Kafi to UMA Summit

LD2810101392 *Algiers Radio Algiers Network in French* 1800 GMT 27 Oct 92

[Text] Ali Kafi, chairman of the Higher State Council [HCE], has been invited to attend the Arab Maghreb Union [UMA] summit scheduled for mid-November in Nouakchott. The HCE chairman received the invitation from the Mauritanian foreign minister, who is on a visit to Algiers. Here is a statement by Mr. Ould Moine to Hassan Meftah:

[Begin Ould Moine recording in Arabic, fading into French translation] I am honored to meet with Chairman Ali Kafi to hand him an invitation from his counterpart Maaouya Ould Sid'Ahmed Taya, president of the Islamic Republic of Mauritania, to the upcoming UMA summit, which will be held in Nouakchott.

Diplomatic Relations Established With Croatia

LD1710111892 *Algiers APS in English* 1007 GMT 17 Oct 92

[Text] Algiers, October 17—The Algerian democratic and popular republic and the Republic of Croatia decided to establish diplomatic relations at the level of ambassadors, a communiqué of the Foreign Ministry announced.

Algeria and Croatia, "desirous to bring closer links of friendship and cooperation between the two countries on the basis of the respect of principles of international law and the United Nations charter, decided to establish diplomatic relations at the level of ambassadors [word indistinct] from 13 October 1992", the communiqué pointed out [word indistinct].

'Afghan' Ties To Massoud; Civil War 'Possible'

93AF0043B *Paris L'EXPRESS in French*
21 Aug 92 pp 12-13

[Article by Xavier Raufer: "The 'Afghan' Connection"—first paragraph is L'EXPRESS introduction]

[Text] Close to 1,000 young Algerian "faithful" reportedly volunteered to join Commander Massoud. Trained in Islamist camps, they are coming back home. Ready for civil war.

Whoever reads the Algerian press these days finds himself suddenly plunged back into a nightmare dating back over 35 years: the Mitid ja maquis—close to Algiers; mujahedins multiplying ambushes and plundering arms depots; military bragging about "the imminent wiping out of the last rebels." In addition to this guerrilla, which the Armed Islamic Movement started in February, we now have a virulent terrorist campaign: nearly 150 policemen and gendarmes have been killed, and there have been dozens of bomb attacks and cases of arson against barracks, and gendarmerie and police stations; not to mention those against strategic power and telecommunication relay stations. The situation appears to have deteriorated to such an extent that French intelligence services no longer rule

out the possibility of genuine "Lebanese-type" civil war in this country which, according to one intelligence official, has become a "ship adrift."

The prime movers of rural guerrilla and urban terrorism are the "Afghans," the Algerians who in the eighties joined in Afghanistan the jihad against the Soviets. How numerous are they? During the past decade, the Pakistani Consulate in Algiers alone issued 2,800 visas to young Algerians who left to fight the Red Army; but many others went through Jordan and Iran. Overall, even though they did suffer heavy losses, Algerian "Afghans" are said to number now over 3,000. Half of them came back home—discreetly—to arrange for young Islamist recruits to be sent to Kabul.

Vanity of the "moderate" and "extremist" labels assigned haphazardly on the Islamic scene: those who remained in Afghanistan are not allied to the "hard-line" Islamists of Gulbuddin Hekmatyar's Hezb e-Islami. No, the Algerian legion in Afghanistan remains faithful to "moderate" Ahmad Shah Massoud, the current defense minister in Kabul. It even provided a significant part of its staff, some 10 experienced cadres.

At the origin of the alliance between Massoud and the Algerians, there was a Palestinian, the late Abdallah Azzam. After joining the Jordanian Muslim Brotherhood during the seventies, Azzam moved to Peshawar, on the Afghan border, already in 1980. From there, thanks to Saudi funds, he crisscrossed the Arab world and recruited thousands of volunteers for the Afghan jihad. His influence remains considerable: one of his daughters is married to one of Ahmed Shah Massoud's lieutenants; the other, precisely, has been married to an Algerian, "Haj" Benoua, since 1985. He is one of the leading Islamic chiefs of the Jamiat e-Islami, Massoud's party. And, above all, he is one of the organizers of round trips between Algeria and Afghanistan. Via Sudan, Jordan, or Iran, young Algerian "faithful" are—still now—sent to Islamist camps set up in remote Afghan valleys. As soon as they are trained in guerrilla warfare and terrorist methods, they are reinfiltated into Algeria, with a stopover in a front country, Sudan for instance.

This Algiers-Kabul-Algiers noria is a cause of concern for security officials, both in North Africa and in Europe; all the more so as the Jamiat instructor officers who train the Algerian mujahedins were until recently viewed as moderates and "freedom fighters," and trained in the most sophisticated techniques of sabotage and terrorism by Western special services, in particular the CIA and the DGSE [General Directorate for Internal Security]....

Another sign of the Lebanese-like deterioration of the situation in Algeria is the recent intensification of the drug traffic involving Algerian citizens. Last June, a 1.3-ton hashish shipment was seized by French gendarmes in a Saint-Soupplets (Seine-et-Marne) garage. Shortly before, 2 tons of cannabis had been forwarded via the same garage, representing a total of nearly 25 million francs at wholesale prices. The traffickers were Algerians. Mere criminals? It does not look that way: the head of the gang, known as Aissa Bekhadda, was in contact with Mohamed-Walid Douedari, the jack-of-all-trades of the Iraqi Embassy until it was closed at the time of the Gulf crisis. According to

official departments, his mission was to approach Palestinian and North African extremist groups and win them over to the Iraqi cause....

Regional Affairs

Oran Arrest 'Links' Moroccans to 'Terrorists' 93AF0080A Algiers LIBERTE in French 20 Sep 92 p 3

[Article by Lamine Chikhi: "Moroccan Terrorists Arrested in Oran"—first paragraph is LIBERTE introduction]

[Text] They were carrying TNT to manufacture homemade bombs. Is it that Moroccan Islamists have decided to redeploy in our country? True, it is not easy to be an activist in the kingdom, considering the Moroccan authorities' attitude and firmness. Then?... That leaves Algeria.

It happened on 17 June 1992. During an operation of the Oran national gendarmerie organized to arrest the perpetrators of an attack against a couple followed by the theft of a J5 vehicle in the M'Sila forest. As a result of the investigation, four individuals, three of whom were Moroccan citizens, were arrested on 8 July. They had in their possession some TNT, powder, and "putty" designed to manufacture homemade bombs. All of this arsenal was concealed inside the Emir-Khaled mosque in Oran.

As a result of this important discovery, Moroccan citizens were implicated for the first time; this is something new. The security departments questioned the terrorists. They noted the existence of a terrorist organization consisting of seven individuals, three of whom were arrested and one found dead when the gendarmerie combed the M'Sila forest. In addition, the revelations made by the terrorists led to the arrest of 21 other individuals. These were charged with forming armed groups, attempted murder, theft, and aiding and abetting criminals.

We should also mention that a list of six members of the Oran criminal investigation department that were to be executed, plus tracts, and 90,000 Algerian dinars were found in the terrorists' possession.

Nevertheless, what is new in all this is terrorist Nil Houari's confession. He disclosed that the Moroccan "terrorists" had offered them human and material support and even helped them financially on two occasions, giving them 300,000 and 150,000 dinars.

The connection between local terrorists and their Moroccan counterparts has now been established.

By spreading their tentacles into Algeria, Moroccan Islamists just crossed a red zone.

But what are their reasons for attempting to settle in our country?

Some will say that they just want to develop the drug market. Are they wrong?

Fifteen years ago, the Moroccan Islamist Abdessalam Yacine became famous beyond the kingdom's borders when he sent the king a strongly worded letter on the theme "Islam or the deluge": "Whatever your answer, dear nephew of the prophet, you won't be able to suppress the words of truth and justice that I am proclaiming."

Hassan II was quick to answer with six years of internment.

Since then, nothing. Moroccan Islamists know what to expect.

Is it for this reason (fear to confront the Moroccan monarch) that they have decided to come and preach "the gospel" in Algeria and—why not?—occasionally help our local terrorists?

Probably. Especially considering that recent events seem to substantiate this assumption.

Polisario Threatens 'Guerrilla War' on Morocco

NC0510070692 Paris AFP in English 2354 GMT
4 Oct 92

[Text] Algiers, Oct 5 (AFP)—The Algiers-based Polisario Front [for the Liberation of Saguia el Hamra and Rio de Oro] threatened Sunday to resume its guerrilla war against Morocco in the Western Sahara if Rabat "refuses to organise a referendum on self-determination" in the former Spanish colony.

"If the king of Morocco refuses the Sahrawi people the organisation of a referendum on self-determination as stipulated in the United Nations peace plan, the Polisario Front will resume the armed struggle", the front's foreign affairs spokesman Salem Ould Salek told a press conference.

Ould Salek accused Morocco of leading the U.N. plan "into a dead-end" and called on the international community to apply pressure to make Rabat implement the plan.

The organisation of the referendum has been held up by disagreement between Rabat and the Polisario Front over who should be allowed to vote. The front wants an electoral roll based on the last Spanish census of 1974, while Rabat is arguing for a wider eligibility that would include some Moroccan nationals.

The Polisario Front is seeking self-determination for the colony that Spain abandoned in 1975, while Morocco claims the territory as part of a former "Greater Morocco". Under a U.N. plan which brought a ceasefire in September 1991 to end 16 years of fighting, a referendum had been scheduled for January 1992.

Internal Affairs

Abdesselam's Return to Power, Motives, Ambitions

93AF0104A Algiers ALGERIE ACTUALITE in French
1-7 Oct 92 pp 4-6

[Interview with Mahfoud Bennoune by Abdelkrim Debbih and Mourad Laras; place and date not given: "Only Abdesselam..."; first two paragraphs are ALGERIE ACTUALITE introduction]

[Text] The friendship of the two men goes back many years, more exactly to the summer of 1962. When Mahfoud Bennoune talks about Belaid Abdesselam and stresses that he is the only man who can put Algerian society back to work, he probably knows what he is talking about, and his impassioned words are not opportunistic praise. A

member of the ALN [National Liberation Army] from 1955 to 1962, professor at the Algiers University since 1977, Mahfoud Bennoune, anthropologist and social and economic historian, is also a specialist of development questions. His long residence in the United States enables him to take a critical look at a crisis that turns out to be a worldwide crisis. As far as Algeria is concerned, Bennoune firmly believes that Belaid Abdesselam's program can enable the country to recover from "the disastrous Chadli decade." In support of his conviction, he enumerates the new prime minister's remarkable qualities.

For Bennoune, Abdesselam is a sincere nationalist militant, a man of outstanding integrity, a man of experience, all rolled into one. Better still: contrary to his predecessors, Abdesselam will apply his program to the letter. His longstanding friend insists on this point: the only way to prevent Abdesselam from applying his program would be to eliminate him. Will the new prime minister, then, be the providential man that will put Algeria back on track? We shall see...

[ALGERIE ACTUALITE] How do you explain Abdesselam's comeback as prime minister in 1992?

[Bennoune] In theory, Abdesselam's comeback is logical; he should have been called back in 1988, because he was the only experienced politician to voice his opposition to Chadli Bendjedid's policy already in 1979, saying that it would just get us nowhere.

In the Arab world and in Algeria, this was something exceptional: the man gave up his seat and, acting according to his principles and in the country's interest, he chose to be in the opposition against the team that had just been formed.

[ALGERIE ACTUALITE] Abdesselam's opposition was never made public.

[Bennoune] It is true that, in politics, Abdesselam is somewhat shy, and that is his nature, for he has always acted as a militant. His struggle took place inside. Nevertheless, we should recall that, in 1980, he wrote a 700-page report that he distributed to 20,000 cadres, but the presidency put a stop to it and refused to disseminate it. He also wrote a letter to Chadli Bendjedid, just as he expressed his opposition within the Political Bureau. His opposition did not spring from a dogmatic attitude. He never maintained that all that was done before was perfect; he acknowledged that there were many imperfections, especially in management, which had not been paid enough attention.

When the decision was made to isolate and exclude him, he chose, out of discipline, to remain within the FLN [National Liberation Front] and perhaps that was a mistake. He probably wanted to create an opposition from within the FLN.

[ALGERIE ACTUALITE] He was therefore still under the delusion that there could be no salvation outside the FLN?

[Bennoune] Abdesselam knows more about Algeria than you or I do. He knows very well that, after all, the people are an abstract concept. What counts mostly are the apparatus. Expressing his opposition by mobilizing the people was not a realistic option, especially considering that, at the time, the government enjoyed denouncing

austerity, and was creating the foreign-currency allowance and implementing the antiscarcity program (PAP). Under color of meeting the people's social needs, everything was done to isolate Abdesselam. Abdesselam knew—for having reduced it to the absurd—that in the long term Chadli's policy would lead to disaster and that, then, the people would wake up. This was something he had predicted as far back as the early eighties.

[ALGERIE ACTUALITE] But what were the reasons that eventually led to Abdesselam's come back?

[Bennoune] Abdesselam's come back was politically unavoidable. There are absolutely no solutions other than those that were and are currently advocated by Abdesselam. The bankrupt economy, the debt, the huge social problems, the fundamentalist threat, and the proven ineffectiveness of previous prime ministers made it imperative to choose Abdesselam. In Algeria, many cadres thought so, but did not say it.

Since 1988, only one man has been fit to be prime minister, for three reasons.

The first one has to do with the fact that Abdesselam is a known long-time uncompromising patriot and nationalist.

The second factor is that Abdesselam's capacity for work, for having ideas, and above all for implementing them is definitely rare, quite rare in our society.

The third reason for this choice is that this is a person with an extraordinary experience. He learned through a number of mistakes, but the experience he thus acquired absolutely deserves to be capitalized on. From 1965 to 1979, the man was able to design, develop, and implement companies that have acquired worldwide renown. In 1964, SONATRACH [National Company for the Transport and Marketing of Hydrocarbons] was nothing but a decree signed by Ben Bella, in the attache case of Abdesselam who used a mere hotel room as both his home and his office. Starting from there, Abdesselam, together with Algerian cadres, built a state-owned company that surprised even the French. During the sixties, a French minister once said of SONATRACH that it amounted to "a State within the State." What made him say that? He was jealous of the company's remarkable organization. The creation of SONATRACH and its development testify to the man's capacity to act and build. You cannot develop a country without great builders, men with ideas and who can also apply, implement, and achieve.

[ALGERIE ACTUALITE] Do you think that he can do again what he did in the seventies?

[Bennoune] We should say that he was called back only because things have changed at political leadership level. Abdesselam thinks like a nationalist, but one of truly extraordinary integrity. While very young, he was exposed to the Setif massacres, and he was arrested and imprisoned. He therefore had first-hand experience of the nature of colonialism. His nationalist way of thinking is shared by some HCE [Higher State Council] members, including Chairman Ali Kari, another nationalist and former wilayah colonel who faced the French war machine. After drawing the lessons from Boudiaf's assassination, it was imperative to call in a man of ideas and action. Contrary to the others, Abdesselam will actually apply his program.

[ALGERIE ACTUALITE] But the situation has changed radically between the seventies and the nineties.

[Bennoune] So has Abdesselam. His exclusion from the political leadership gave him time to think, to modify his approaches with the benefit of hindsight. The period from 1980 to 1990 enabled him to grow away from his past action. His current proposals take into account the country's present situation, the world situation, as well as past experience. Abdesselam knows full well that the situation has changed, and I believe that he is the only politician in the Arab world to have stated in writing what he really thinks.

[ALGERIE ACTUALITE] You are exaggerating a little!

[Bennoune] I am not exaggerating. No Arab former minister has written a two-volume book about his own management experience. If I say this, it is because I have noticed reactions to his work in foreign countries. In this country, the book we wrote with him, *Le hasard et l'histoire (Chance and History)*, went unnoticed and did not give rise to any debate; there were perhaps a few reviews here and there...

In France, it was completely ignored. Not the slightest review. On the other hand, I heard extremely positive reactions from Americans. An American academic specialized in questions of development told me that the book was remarkably helpful in understanding development problems, not just those of the 20th century, but also those of the past. Why? Because it is the only actual and concrete development experiment to have been described and analyzed by a man who was minister over a long period of time during which many projects were completed. This American told me that this work enlightened the historian and helped understand the development problems that arose in other countries during the 19th century.

[ALGERIE ACTUALITE] Apart from this book, what did he do during that period?

[Bennoune] Basically, this period was quite productive; together, we produced *Le hasard et l'histoire*. From that book, he extracted *Le gaz algérien (Algerian Gas)*. He also wrote many essays that he did not want to publish, including an essay on the Maghreb and an essay on the ulema.

[ALGERIE ACTUALITE] What is his problem with the ulema?

[Bennoune] Exactly the problems that have existed between the PPA [Algerian People's Party], the MTLD [Movement for the Triumph of Democratic Liberties], and the ulema. No more, no less.

[ALGERIE ACTUALITE] Is the current media hype about Taleb Ibrahimi directed at him personally?

[Bennoune] We should say clearly that what moves Taleb is not the country's best interest. Because, like it or not, Taleb is responsible for the mistakes made during the Boumediene era, just as he is responsible for much of the mistakes made during the Chadli era. After all, we should not forget that he agreed to become a member of the Political Bureau, that he was minister of foreign affairs,

and that he agreed to support the 1986 Charter and set aside the 1976 Charter. Taleb is responsible for the Chadli disaster.

During the period 1980-88, he was given very important responsibilities, and he had considerable influence. Because this period ended up in a national disaster, if Taleb truly respects his country, the best he can do to serve it is to shut up and vanish from the political scene.

[ALGERIE ACTUALITE] What kind of relationship did the two men have?

[Bennoune] Taleb was pathologically jealous of Abdesselam.

[ALGERIE ACTUALITE] Perhaps it was because of presidential ambitions?

[Bennoune] No, that dates back much longer. It was so even during the Boumediene era. Taleb has always been jealous of Abdesselam. We should say that, the two men chose divergent options. Abdesselam is a patriot, a nationalist; you could even call him a populist. Even though he said that the people are an abstract concept, a myth, he was the only man to really believe in the people during the seventies, and to do something for the people. As for Taleb, he does not give a damn about whatever may happen to the people. The essential for him is to keep his seat.

[ALGERIE ACTUALITE] How, then, did he manage to go through the two eras?

[Bennoune] There, we must come back to the contradictions of the Boumediene regime. Boumediene once told somebody that there were two people he could not do without: Belaid Abdesselam and Taleb Ahmed. As far as Abdesselam was concerned, he stood out because of his nationalism, his patriotism, his capacity for work, and his dynamism.

As for Taleb, he was supposed to neutralize a social strata that we might call the national archaic bourgeoisie. Taleb, therefore, gave Boumediene the support of certain very conservative circles.

Boumediene, who wielded power with great skill, took advantage of the opposition between the two men.

[ALGERIE ACTUALITE] This skill is something we are still paying for 15 years after Boumediene's death...

[Bennoune] Boumediene's contradictions were to a large extent responsible for the Chadli disaster.

[ALGERIE ACTUALITE] Abdesselam also took charge of Chadli's candidacy...

[Bennoune] Let's make something clear: Chadli's candidacy was the result of the army and the departments' determination that the candidate to the presidency should be a military man. Chadli set up an organization to ensure that his candidacy would be accepted and to organize his propaganda, even though he said himself that he never asked to be president.

True, he had rivals: Yahiaoui and Bouteflika. To eliminate them, the Military Security paid a visit to the committee delegated by the congress to designate the new president, and they told the committee that Bouteflika was the

Americans' man and that they had recorded a conversation between him and the U.S. ambassador. As for Yahiaoui, they said that he was the Soviets' man, and they also said that they had recorded a conversation between him and the Soviets.

None of the congressional committee members had the courage, or the intelligence, to ask them to produce the recordings. Actually, there were no such recordings.

Once Yahiaoui and Bouteflika were neutralized, there was but one possible choice: Chadli. Let's therefore say it. Chadli was not Abdesselam's candidate; he was the army's candidate. After the fact, Abdesselam certainly took part in the election campaign. But, from the start, he expressed his opposition to Chadli's decisions.

[ALGERIE ACTUALITE] Is Abdesselam aware today of how little room he has to maneuver, knowing that the people are a myth?

[Bennoune] The country has no other choice besides Abdesselam's program. If we repeat this idea that the people is a myth, we are going to provide an argument to nefarious people who will try by all means to prevent the implementation of that program. Abdesselam now knows that no program can succeed without the people's support. One of the conditions for the program to succeed is precisely the Abdesselam government's and the current political leadership's ability to mobilize the people.

[ALGERIE ACTUALITE] Is he going to create a party?

[Bennoune] He doesn't have to create a party. He is at the head of a government, and there is a political leadership that is the HCE. They have a whole country to organize and mobilize in order to overcome the crisis. They have the means to mobilize it. The people, however, will not get mobilized until they begin to see material results. Given time, Abdesselam will produce positive results, but not right away because the situation is a disaster.

[ALGERIE ACTUALITE] Did Abdesselam impose his conditions on the HCE?

[Bennoune] If he imposed his conditions, he did not tell me. What is certain is that he agreed to head the government in the context of the present institutions, which define the prime minister's role and functions, and those of the HCE. Who is going to impose conditions on whom? And what about Ali Kafi; on whom is he going to impose conditions? You know, the regretted President Boudiaf was asked once if he had imposed conditions before coming back? His answer was: "Are you crazy; can I impose conditions when the country is drowning."

But, as you could note, Ali Kafi's statements and Abdesselam's programs are in total harmony. These are the same concerns, the same visions, reflected both by the HCE and by the government. The problem now is whether or not the parties will distinguish what is of secondary importance from what is essential, and save their fatherland and their country? It is their responsibility to give it some consideration, and they will answer to history. In all countries in the world, in a situation as serious as the one we are experiencing, political parties overlook their petty differences and agree on the essential to save their country.

[ALGERIE ACTUALITE] Doesn't the implementation of Abdesselam's program require a reorganization at personnel level?

[Bennoune] The key to the Abdesselam government's success actually lies in reorganizing the administration, that is, getting rid of all the men left in the system by the former president of the Republic. First, because they are responsible, in part, jointly with the former president; then, because they have links with the political mafia. This reorganization is a political prerequisite to restore the State's credibility among the people. This reorganization will not be easy, for there are several fronts and priorities must be identified.

Abdesselam is very much aware of all this. Reorganization will take time; we must develop a policy concerning cadres. We must set up a national file of cadres, that will centralize the curriculum vitae of all cadres, including those who were excluded by Chadli, and those who live abroad. To transcend nepotism and the violation of standards and rules, we must have a cadre policy and we must set up an administration that will operate rationally to achieve well-defined objectives.

[ALGERIE ACTUALITE] Isn't Abdesselam likely to encounter considerable resistance within the administration itself?

[Bennoune] Abdesselam knows it, but he is courageous. He is also assured of the HCE's and the army's support to clean up and start again building the State on sound bases. As for resistance, believe me, it is going to be fierce and very strong. Because the system is still there; the men left by Chadli are still there. Nepotism is there, too. Abdesselam, therefore, must make a revolution. What is needed, therefore, is for everybody to mobilize, especially considering that the Abdesselam government and its program are our last card.

[ALGERIE ACTUALITE] Doesn't Abdesselam have a tendency to be a loner?

[Bennoune] Not at all. He has consulted all the living forces in the nation, that is, public and private employers, the union, associations, and so forth. Contrary to the others, however, Abdesselam is a man who works, and this is what makes problems for him.

[ALGERIE ACTUALITE] Abdesselam also displayed his ambition to control fortunes. What support can he count on to achieve this?

[Bennoune] Abdesselam has the support of the HCE and the army. This is the most highly organized force in the country. Now, he will actually tackle the problem of reorganizing the State and he will make sure that corruption is eliminated. As for past corruption, however, that he cannot tackle. Why? Because there are no files. That leaves only the case about misappropriation of State property. This is something concrete, something that can be tackled. In this case, something must be done.

My point of view on this issue is that the Abdesselam government is in a war situation. It must therefore define priority areas of action and avoid scattering its efforts. To achieve results, it is essential to select the right men at all levels: ministers, cadres, company executives.

Unfortunately, we live in a country where opportunism is so widespread that it has become a second nature. Those who used to have fits whenever Abdesselam's name was mentioned are now praising him. With people like that, you are sure not to make any progress.

Those who accept to shoulder responsibilities today must be exemplary in their morals, their ethics, their work.

We live in a society where family relations, the extended family system, the tribal system, the basic social system are such that they have made nepotism and interventionism unavoidable. It is time to put an end to that. It is time to apply objective and rational criteria, objective rules in running institutions. It is time to be intractable in this respect; otherwise, we will find ourselves back to square one. Society must also know that if individuals do not use collective pressure to reform the political system, but use their personal relations to solve individual problems, it is society as a whole that may founder.

It is true that objective conditions have led the people to doubt the credibility of the State's program. Nevertheless, we must transcend disappointment to ensure that the present program does not turn out like previous programs, Merbah's, Hamrouche's, or Ghozali's. Unfortunately, we note that the press did not play its part and that EL MOUDJAHID was the only one to publish the program in its entirety. As a result, many people have not read the Abdesselam program.

[ALGERIE ACTUALITE] If public opinion remains skeptical, that is also because of the proven inadequacy of television in making a program known.

[Bennoune] Television is a victim of its past, and you know as well as I do that it was used for political purposes. As a result, our television does not inform, and it is unable to organize debates. You must have noticed the intellectual level of the journalists who led the debates among political parties; it is a shame and this must change. Television must change; this is an absolute necessity at a time when we are competing with all the French television channels.

[ALGERIE ACTUALITE] In analyzing the crisis that the country is experiencing, isn't there an exaggerated tendency to blame it all on foreign countries?

[Bennoune] What we have done in this respect is very dangerous. We have exaggerated foreign influence to the point of making it look ridicule, that is, we have made it inoperative as far as the people are concerned.

But great powers do exist, and they have interests that they protect. Making their intervention ineffective requires a huge amount of work at internal level. People must understand that the great powers' domination over the economy, trade, and the media is a fact of life. When I came back to Algeria, what I did find under the Chadli regime was total external brainwashing at all levels, especially in the media and information sector. Later on, being susceptible to brainwashing, we reached a situation where we were brainwashing ourselves. For example, extraordinary defeatism is now prevalent. This defeatism comes from the small intellectual bourgeoisie, which dramatizes everything and spreads panic. It is amplified by Algiers' small civil society,

which has no idea of what grassroots Algeria is really like, while grassroots Algeria remains calm and goes about its daily business.

As far as foreign countries are concerned, we must realize that if Abdesselam's program is applied, and if progress is achieved within 7, 8, 15, or 18 months, we shall get considerable support from States and international institutions. If the house is in order, if development prospects become apparent, foreign countries will respect our choice and will not hesitate to cooperate with us.

When all is said and done, everything will be decided on the internal front, although the foreign factor should not be minimized. They have services, agencies, interests, and they will try to weaken us by any means.

[ALGERIE ACTUALITE] Isn't the crisis that we are experiencing the sequel of a larger, worldwide crisis?

[Bennoune] In fact, I believe that it is a good idea to view our problems in relation to the crisis that the world is experiencing. When communism collapsed, some tried to present the return to hardline capitalism, based on market forces, as defined by Adam Smith, as a cure for all our problems. But, as we can see, within 18 months East European countries will have about 44 million unemployed. They have no infrastructure, no unemployment-insurance legislation to cope with this.

Worldwide, we are now at a standstill. Hardline market economy can only push mankind into a civilization dead end. The case of America provides an illustration of this. Under Reagan and Bush, neoliberalism was applied. The result is such that it has now become impossible to go on with such a policy. The federal debt has reached 4.5 trillion dollars. Lacking federal subsidies, states and communities are facing serious tax crises and can no longer provide key services.

All this shows that, worldwide, the crisis affects everybody. Logically, the solution to the crisis should be worldwide; unfortunately, there is no worldwide leadership to get things moving again.

[ALGERIE ACTUALITE] Doesn't the crisis explain the rise of fundamentalism?

[Bennoune] Fundamentalism does not affect only Muslim countries. Personally, I was surprised by the surge of American Protestant fundamentalism. This fundamentalism even exists in the intellectual field. The postmodernist school challenges science, methodology, rationality. There is market fundamentalism, those who swear by hardline market forces. At political levels, fundamentalism has also invested the Republican Party, which contains many evangelists and preachers. In some states, laws were imposed concerning the teaching of religious programs. It is certain that this rise of fundamentalism is linked to the economic slump.

[ALGERIE ACTUALITE] In this economic slump, therefore, Algeria is doing relatively well?

[Bennoune] What we must avoid, is absolute despair. Because when anxiety reaches a certain level, you cannot function any more, that is, you find yourself paralyzed. Extreme defeatism paralyzes. Although we must be concerned about the present crisis, we must still remain lucid.

We must rely on ourselves and do something. The Abdes-selam program stresses this urgent need to do something.

[ALGERIE ACTUALITE] To listen to you, Mr. Abdes-selam sounds somewhat like the providential man who will put the country back on track...

[Bennoune] No, he is not the providential man. He is a man of experience, he loves his country, he will try to solve the present crisis, but he is not the providential man. Eventually, everything will depend on the support he will receive, and on whether he is materially backed by the people and by State cadres.

The problem is that the people are skeptical. Many charters and programs that were prepared in the past were never applied. The difference is that, now, Abdesselam will apply his program to the letter. Nothing will stop him. The only way to stop him would be to eliminate him. This is something the people must know!

The problem now is this blind terrorism aimed primarily at the people and at the population. The bomb that was set at Place Audin was not meant for the political leadership, nor for Ali Kafi or the State. It was meant for the citizens and inhabitants of Algiers who were shopping.

We would never have thought that a bomb could be set by Algerians against Algerians, in an Algerian airport, which nearly all Algerians have visited. Unfortunately, there was no reaction on the part of the people, the parties, officials, to try and face this. Nothing was done in terms of mobilization, vigilance, to say "No! Stop! Stop!"

In this case, if we do nothing...we may experience the fate of other countries that were completely disrupted. We may experience the same fate as the Somali, the Ethiopians, the Afghans, or the Lebanese. The people and state officials must react and mobilize because, in fact, it is the people who are targeted. It is the people whom they want to bring to their knees.

PAGS Coordinator on Reconciliation With FIS

93AF0104B Algiers ALGERIE ACTUALITE in French
1-7 Oct 92 pp 12, 13

[Interview with Hachemi Cherif, PAGS (Socialist Vanguard Party) political bureau coordinator, by Malika Boussouf; place and date not given: "The Dangers of Reconciliation"; first paragraph is ALGERIE ACTUALITE introduction]

[Text] Regularly accused of wanting to use the ANP [People's National Army] as a tool, the PAGS remains unruffled; they even wonder that people have not yet managed to decipher the Algerian Army's republican profile. Accused of being the voice of all successive regimes and governments, the PAGS comments ironically on its detractors' perception of the very concept of opposition. Its outspoken rejection of those who work to establish a fundamentalist State is now well known. According to the coordinator of the PAGS political bureau, there is actually no justification whatsoever for the concomitant politico-religious sell that some are trying to impose on Algerian society, which is doomed to open itself to modernity and progress. As for the dialogue undertaken by the HCE [Higher State Council], Hachemi Cherif knows that his party will be kept out of it. He smiles. That does not bother

him since he doubts that, under present circumstances, this dialogue will achieve the expected results.

[Boussouf] Terrorism has been striking quite hard recently. What do you blame it on; what policy would put an end to it?

[Cherif] I very much fear that we may have to drain the cup to the last drop. We are paying a high price for a policy and for the laxity resulting from an attitude of flat surrender to fundamentalism, linked to the defense of narrow interests. But to understand the phenomenon and fight it efficiently, we must relate it to totalitarian fundamentalism as the expression of the rise of reactionary forces in Arab and Islamic countries, supported during the seventies and eighties by neo-colonialist sectors and some cold-war protagonists.

Especially in our country, this phenomenon is related to the attempt to systematically destroy the progress achieved by the modern national liberation movement since the early eighties. Former president Chadli thought he could maintain relations of duplicity with fundamentalism, but later on he identified almost totally with it. In a first stage, what he wanted was to help it take shape as a strike force against the sociodemocratic progress achieved after independence and the underlying forces, with the delusion that he could keep it on a leash.

[Boussouf] You mean that, willfully and for a long time, Chadli had been paving the way for fundamentalism.

[Cherif] For this, he used the teachers and the Eastern "ulema"—in particular El Ghazali—and seminaries of Islamic thought as a way of "overtaking" the Algerian ulema's disciples. For years, fundamentalists used pressure and constant violence, with full impunity. The more violent they became and the more pressure they put on the masses, the more concessions they obtained from the government and the more they expanded their hegemony over society: it's an infernal spiral.

Fundamentalism is essentially violent in words and in actions, and the only chance we have to get rid of it for good is to fight it on all fronts, by attacking its economic and social bases, which consist of feudal precapitalist structures, and its obscurantist ideology. We must therefore, at the same time, energetically fight terrorism, and introduce counterarguments to rehabilitate the modern national and social liberation movement, rational reasoning speaking to intelligence and conscience.

[Boussouf] There has been much talk of a "foreign hand" recently; what do you think?

[Cherif] In view of Algeria's material situation and its foreign relations, there has to be a "foreign hand" to the extent that there are foreign interests that perfectly converge with reactionary interests at domestic level! Sometimes even, these reactionary interests are definitely subject to foreign interests in relations of dependence and obedience.

We can observe a will to destabilize Algeria, to weaken it in order to force political choices on it. This is what the Islamist International is doing; it wants to gain control over Algeria. It is paying the price for it: financing, training political and military cadres, and so forth. This is also, we

believe, the objective pursued by French neocolonialist forces, which aim to break up Algeria as the nation, society, and State that are now crowning centuries of history. Can anybody actually believe that it is possible to check fundamentalism and ensure stability, democracy, and prosperity through a dialogue, either through an erosion of power (in other words, the supposed "fecund regression"), or else through an illusory power compromise? Are we dealing here just with crazy ideas of the army staff? Who will believe, or make us believe, that it is possible to achieve a compromise between aspirations to modernity and obscurantist and archaic notions concerning the world and society?

But let us focus on the attitude of French neocolonialism and France in general. On the other side of the Mediterranean, people try to anticipate what Algeria will be like in 10 years or so if it overcomes its crisis, with its huge available potential in human resources and natural wealth. Certain forces may be tempted to make up for the poor performance of the French economy in European and worldwide competition by gaining control of Algeria's energy resources.

[Boussouf] Do you seriously believe that it is in France's interest to establish a fundamentalist state on its borders?

[Cherif] There are attempts to take advantage of Algeria's geostrategic position. Not to mention the revanchist temptations of certain forces! In this specific case, destabilization by any means—especially through economic pressure in connection with debt management, through direct or indirect aid to terrorism, etc.—could pave the way for a breakup of the country, civil war, interference, etc. Do we have to spell out all the converging pieces of the puzzle, and the internal approaches used?

Yet, we cannot understand and accept that an allusion to a "foreign hand" should provide a cover for new nationalist delusions. Traditional nationalism, already, had to fight the opposition of the bachaghas, aghas, caids, administrators, harkis, and collaborators of colonialist France; all the more so today, now that things are getting settled and ought to do so exclusively around the society project: modern, democratic, and progressive, or theocratic, fascist, and reactionary? And, of course, with the universalistic and humanistic concept of the modern project, or the sectarian and obscurantist concept of the fundamentalist project.

[Boussouf] Are you saying that a dialogue with the Islamists will therefore get us nowhere?

[Cherif] We are not talking about our point of view. We believe that we should face reality and draw all the lessons from it. It is plain to see that if a democratic discourse and dialogue—and reconciliation—with the civil society are a perfectly justified requirement, this is not true in the case of the fundamentalists and their advocates, who want to "bring back the fox to keep the geese." How can you discuss and call for discussions under the threat of armed force and pretend it is a reconciliation? Such a "dialogue" will serve only to strengthen fundamentalism and its conviction that more violence and terror will get it more results. But the dialogue with the Islamists is nothing new! It has been a problem for the national liberation movement for tens of years, and it has taken the form of a

conflict between reform and revolution. After independence, it has come up again at a different level during all debates and basic decisions on the social project, and it has always been settled through a compromise, independently of the socio-economic and political interests defended by the Islamist trend or movement.

[Boussouf] Are you saying that what was valid yesterday is still valid today?

[Cherif] I shall take a shortcut to return to current problems: compromise is now made obsolete by the very difficulties of reconciliation. The Islamism of the sixties and seventies has turned into fundamentalism by merging with the interests of the most reactionary sectors of society. Since then, whenever there has been talk of accepting and dialoguing with fundamentalist Islamists, they have made dazzling progress, as through a "steamroller" effect, taking everything away with them and, in particular, modifying the position of the floating intermediate strata and forces that were subject to their blackmail. In this case, it is not the Islamist's force of conviction that is the determining factor. The determining factor is the fact that the masses start to suspect, to question the government's will and its choices. From the moment the government itself is playing the fundamentalist card, or toying with it, what other reaction could we expect from the masses subjected to daily blackmail and pressure?

[Boussouf] Fundamentalism gains and loses ground depending on the degree of leniency shown by the government and by civil society.

[Cherif] "Chiaroscuro" may be beautiful in esthetics; in politics it becomes a crime! The examples of June and December 1991 are instructive in this respect: fundamentalism has lost ground whenever the government and the democratic forces have shown determination. It has resumed its expansion at a higher level whenever the government and the democrats have shown an inclination to compromise. That was true at the time of President Boudiaf's assassination. It is true today: the HCE chairman's speech, together with the CCN [National Consultative Council] chairman's intervention and the Abdesselam government's program, have aroused hope and confidence. These weakened as soon as the news of the opening of a dialogue with Hamas was published! In relations with fundamentalism, tactics merges fully with and into strategy, and the only tactics that is right, therefore, is breaking relations!

This makes us feel like screaming: Stop swinging the masses between conflicting tendencies, especially considering that if this macabre game goes on, the masses will become suicidal and throw themselves into fundamentalism. But the heart of the problem is that there is an objectively conflicting movement in society and in the government, which reflects interests that are also conflicting, torn between the two poles for a choice of society. The government still remains divided on the issue, but even that part of the government that has progressed on the question of the need to break with fundamentalism is itself prey to the delusion that it can achieve such a break without breaking with the corrupt and bureaucratic guaranteed-income system that gave birth to it and has nourished it through a thousand and one veins.

[Boussouf] Then, how would you reconcile the need for such a break with fundamentalism—requiring to regain control in an authoritarian manner—with the need for democracy?

[Cherif] This requirement only looks like a contradiction. Basically, we have witnessed, and—if the electioneering process is not subordinated to the modernist revolution—we still may witness an attempt to crown and consecrate, through a so-called electoral process, a plot hatched since the early eighties, a plot for the success of which all conditions have been created: even “the people has been changed” to answer with an ellipsis an accusation made against the PAGS, charging that “it wants to change the people”; the people have been “changed” in the sense that the structures, the very social conscience have been profoundly altered and turned backward. Democracy is a continuous process of conquest. As parliamentary democracy, it is one category of modernity, and we cannot lightheartedly go to the polls without first overcoming the crisis of the society project which, precisely, cannot be solved except through a revolution, an essentially democratic revolution, one that liberates the individual, as citizen of a full-fledged State, from the shackles that bind him to feudal and precapitalist structures, to the traditional family, the tribe and the clan, to the region, to pressure and interest groups, to the various feudal systems, to allegiance to a single way of thinking, to obscurantism, or again to the reasoning of religion against that of reason. There can be no true democracy except in a state based on the rule of law, which recognizes the basic rights and full equality of all citizens, in a society where the values of work, production, rationality, and science take precedence over archaic material and moral structures, over illiteracy, unemployment, and corruption.

Today, the democratic action par excellence consists in swinging Algeria over to the side of modernity and progress!

[Boussouf] On what forces do you rely to start this revolution? Some do not hesitate to accuse you of wanting to use the ANP as a tool to perform this task?

[Cherif] Sometimes, those who accuse us of wanting to use the ANP as a tool are the very people who accuse us of being used as a tool by the ANP! Does it make sense? The objective is to divide and create a diversion. You really can't say that it is the PAGS' “fault” if the ANP finds itself in the forefront in defending the project of society that is an extension of the modern national liberation movement. It does the ANP great credit that it rose to this demand of history! Actually, the ANP's historical formation process—geared to progress because of its very goals, and transcending wilayah partisanship and feudal structures during the national liberation war, which itself acted as a melting pot for the post-independence state—makes it a genuine modern and patriotic force. As such, it constitutes a vanguard and the armed organ of the forces of modernity and progress, as opposed to fundamentalism, a totalitarian movement and organization that possesses its own core state and its own army!

[Boussouf] In the end, is there really an opposition in Algeria? What genuine political interests does it express?

[Cherif] There are few countries like Algeria, where the choices made by the parties conflict so much, where relations between the government and the opposition are reduced to formal organic relations that ignore the socio-economic and political, convergent, or divergent interests they both cover. Many parties are nothing but satellites of certain government sectors, which manipulate them, just as they manipulate a certain part of the press in their struggle for power. These factors blur the true divisions, which are made worse by the climate of populist demagogic. We end up facing a series of paradoxes: one that ranks fundamentalist forces as the most radical force of opposition to the Chadli government, whereas they constitute its most consistent and faithful ally; another that portrays the most antidemocratic forces as being the most strongly attached to democracy, and vice versa; and still another that portrays the forces most strongly in favor of the neocolonial project as being the most opposed to it, and vice versa!

The revolutionary transition must aim, among other objectives, to restore the terms of the basic debate on the project of society.

[Boussouf] How can we be certain that the opposition you represent is the right kind?

[Cherif] We have reached the certainty that we must crystallize a project of modern society based on our history and civilization, open to universal values, capable of conquering large sectors of public opinion and mobilizing them, while overcoming the diversions and confusion that the reactionary fundamentalist forces and their allies have managed to impose in their attempt to oppose the problems of national identity and the demand for modernity. Achieving such a breakthrough in reflection and debate essentially hinges on our ability to transcend the metaphysical concept and arrive at a rational concept of the world calling for total separation of the political and religious spheres, as a prerequisite for the liberation of thought and action.

[Boussouf] How do you account for your support to the successive governments?

[Cherif] Your question actually contains two related aspects, pertaining to two different fields. At political level, our evaluation of the situation in 1988 led us to consider, justly, that patriotic forces were starting to resurface in certain state sectors, especially in the government, the ANP, etc. Considering how serious the situation was for the country, it was absolutely necessary for us to support this positive trend with all our strength, bearing in mind the contradictions and inconsistencies that result from power struggles and from an entire political culture held hostage by the apparatus.

Since 1988, the patriotic forces have become stronger, and their views clearer, but the process is still far from being completed.

At the programming level, we concurred with the socio-economic reforms designed to encourage our country to build a modern economy and to play an active part in the world economy, based on a modern market and modern state regulations. This option was defended in various styles and with various priority rankings, reflecting the

government composition, economic conditions, and changes in the balance of power since 1988. As for us, we continue to struggle to ensure that it succeeds in radically altering socio-economic relations so as to enable us to ensure economic, social, and cultural progress for the rising generations, and in creating conditions enabling us to keep pace with the progress of the modern world.

[Boussouf] Austerity seems to be the Abdesselam government's credo: will the masses, once again, have to endure?

[Cherif] We do not think that "austerity" is the right word. As in all modern countries in the world, people must consume in proportion to what they produce; they must pay taxes commensurate with their fortunes. The latter must be the result of a profit margin on the modern market rather than some guaranteed income generated by an absurd economic system. Access to foreign currency, for business circles, must be linked to what they contribute to the country, or to how much foreign currency savings they can achieve for the country. Society as a whole, and each individual in particular, must again find that there is a relation between the level and quality of what they consume and the level and quality of what they produce. This, therefore, is not quite austerity; it is a modern way of running the economy, and the distribution of the national income. We must restore the balances required to take off, in a time of serious crisis. In this respect, austerity should penalize those who have become rich at the expense of the country and the people. Austerity must be coupled with a merciless fight against those with guaranteed income, those who speculate, and those who are corrupt. In this connection, the present government should enjoy the firm support of the masses for this struggle—a support commensurate with the huge interests that this struggle flushes out and challenges. Modernity and morals both demand it.

[Boussouf] The foreign debt appears to be the largest problem standing in the way of the efforts at recovery. We get the impression that it will never end, in spite of projections that promised a decrease in the debt service starting in 1993!?

[Cherif] If the debt service remains such a burden, it is because, as in other domains, the tendency to compromise with the forces and practices of the past has prompted the government to keep choosing the suicidally easy way out, abusive and anti-economic recourse to short-term credit. But these narrow choices cannot be separated from political conditions, which drive various forces toward populist solutions, especially when electioneering strongly calls for such solutions and distorts all the data. It is precisely this infernal cycle that must be broken! At domestic level, an effective solution to the debt problem will require putting forward economic reforms as a rational practice, through the implementation of a correct organic relation between consumption and foreign-currency earnings.

[Boussouf] And we would thus shift from an "overconsumption" approach to an approach involving strong restrictions?

[Cherif] Of course, a transition period should be provided through the definition of industrial and consumption priorities. Finally, there is a relation between positive capital flow to our country, and the authorities' ability to control terrorism and all other instability factors. Today,

the French authorities' attitude is unjustifiable, all the more so as it goes counter to that of essential monetary and financial authorities throughout the world, such as the IMF, the IBRD [International Bank for Reconstruction and Development], and some developed countries. The democratic forces, and all those who want to look forward, must focus their efforts to break the debt embargo against Algeria organized by French authorities. It is now one of the basic criteria of a recasting of Algerian-French relations. This is the gist of the message that we wanted to send to democratic and progressive forces in France.

[Boussouf] What about the relations of Algeria with Europe in 1993; how do you see them?

[Cherif] Maastricht as such does not matter that much to us. The ratification (or nonratification) of the treaty is actually only one stage in the building of Europe. This is why it gives rise to so many debates, first of all in Europe. Very few people today will question the relevance of building Europe, or even the urgent need to do so. One of the key slogans of the Maastricht Treaty opponents, in France for instance, was: "For Europe, let's say no to Maastricht."

What should concern us more, as North Africans, is in fact that the Europeans, in spite therefore of their diverging approaches, are endowing themselves, building, step by step, the means, the tools that will take them straight into modern times, that is, large high-performance complexes making full use of huge reserves of cooperation and rational division of labor, on an ever larger scale.

[Boussouf] Which is far from being the case of the UMA [Arab Maghreb Union]?

[Cherif] We cannot isolate these European debates from the developments that take place in the rest of the world. Regional groupings are being consolidated, in particular in, and around the three main poles that account today for most of the world's production and trade. I mean the EEC and its immediate prospects for expansion (Switzerland, Norway, Austria, etc.), the United States and its neighbors (Canada in the north, Mexico in the south) who are making fast progress to form a homogeneous whole, and of course Japan and its "allies" in the Pacific.

Now, therefore, is no longer the time to blame others for aligning themselves on history, just because they do it somewhat "at our expense." It is also not the time to imitate them, as if there were absolutely no other models: I say this because it does seem that the tendency to do both these things still pervades our approach here and there. The form, the rhythm, and the intensity that the building of the Maghreb will take on (for this is what it is all about, isn't it?) will actually depend on the quality, the determination of our own commitment and our capacity to apprehend and go beyond—I would say transcend—the problems that still loom ahead of us. And if Maastricht were to be of any use to us, it would first be in showing, for all to see, the futile and insignificant nature of the obstacles that prevent us from going ahead, more than four years after the first Maghreb summit.

SIT Structure, Role in 'Terrorist Acts'

93AF0102A Algiers *ALGER REPUBLICAIN* in French
2-3 Oct 92 pp 1, 3

[Article by K. Nasri: "The SIT (Islamic Labor Union) Crime Syndicate"]

[Text] The confessions of the authors of the bloody bomb attack at the Houari Boumediene airport have again turned the spotlight on the SIT, this curious Islamic Labor Union that continues to act freely.

Three of the four men who planted the bomb, whom we discovered on the TV screen this weekend, confessed that they belonged to this fundamentalist organization. One is a member of the national leadership, another is in charge of the Air Algerie "section."

It is not the first time that a militant or a leader of this crime syndicate engages in criminal activities. Remember the man nicknamed Tayeb El Afghani, an SIT member and active participant in the attack against the Guemmar border post, nearly one year ago.

Actually, the SIT is one of the many organizations and associations—created after October 1988—that are openly or clandestinely affiliated to fundamentalist parties, including the dissolved FIS [Islamic Salvation Front].

Although the SIT is not recognized officially, it nevertheless coordinates at the national level the activities of a series of leagues organized by sector of activity, e.g., industry, education, transportation, etc., which operate freely. Their obvious objective is to gain workers to the fundamentalist cause and to break the UGTA [General Union of Algerian Workers].

It is probably its failure in the labor world that pushed the SIT to become a terrorist organization serving as the organic extension of the fundamentalist movement. It is the military equivalent of the "chouyoukh," "emirs," and "caliphates" of the Middle Ages.

In this respect, the SIT by-laws and internal rules speak for themselves. The grassroots "sections," organized in various units of the economic sector and in other institutions, are called "zoumra"; in military terms, this means "troop." The leadership at community, wilayah, and national level are called "majlis echourra" [advisory council]; they are headed respectively by an "arif" (corporal), a "moqadam" (lieutenant), and a "naqib" (captain).

Promoting its militant action through deceptive and demagogic slogans, such as "part of the wages of Hassi Messaoud workers ought to be paid in foreign currency," the SIT behaves like fundamentalist parties, to bring the country's economy to its knees.

Remember, for instance, that at the time of the insurrectionary strike of May-June 1991, its "zoumra" attempted to burn down strategic facilities (Hassi R'Mel), and they cut off the gas and electric power supply of Oran factories.

The goal of the fundamentalist organization was to sabotage the economic sector, break the working plant, and promote parasitic activities and the black market in order to create favorable conditions enabling them to launch their antinational insurrection.

The long series of attacks and other economic crimes was actually made easier by the fact that the SIT was established on the premises involved. Yet, small "union" groups continue to exist more or less legally.

The latest example to date, as seen on television, was that of a pilot belonging to the Air Algeria "zoumra" who, together with his "brothers," went ahead and blew up the Algiers airport. He was also the one who had proposed to place the bomb during the rush hour.

It is clear that the SIT, which still gangrenes sectors as highly strategic as SONELGAZ [National Electricity and Gas Company], the Post and Telecommunications, transportation, SONATRACH [National Company for the Transport and Marketing of Hydrocarbons], etc., has never been a union. Actually, it is a mere auxiliary recruiting tool for the fundamentalist movement's military organization.

Today, tens of "zoumra" headed by "arif," "moqadam," and "naqib" still live on as parasites in companies and other institutions.

Forest Fires Suggest New Ways To Destabilize

93AF0065A Algiers *LIBERTE* in French 27 Sep 92 p 3

[Article by R. Ikhennoussene: "Now the Time Has Come for Arsonists"; first paragraph is *LIBERTE* introduction]

[Text] Politically motivated arson fires have punctuated the history of mankind and destroyed wonders of nature and civilization. The fires started yesterday at several places simultaneously in the Governorate of Skikda lead one to think that we are witnessing a new way of destabilizing the country.

The northeastern part of the country seems to have been the target of identical fires over the past two days. Judge for yourself: 36 fires were devouring the forests in the governorate of Skikda yesterday, while 17 others were recorded in the neighboring governorate of Jujel over a period of two days.

During this past summer, which was one of the most disastrous in the history of independent Algeria, forest fires destroyed no fewer than 8,000 hectares. Many of those fires were criminal in origin.

From Yakouren to Lakhdaria and Murdjadjio, works of nature that took several decades or even centuries to complete were reduced to ashes by fiendish hands.

After its attacks on official agencies, public buildings, and citizens, terrorism seems to be adopting a strategy that is more devastating and more harmful to the country: a scorched-earth policy.

Actually, such a policy is not new in our country. The French colonizer used it on a large scale to deprive the mujahedin of potential hideouts.

That strategy reached its peak during the sinister episode involving the OAS [Secret Army Organization]. After using many terrorist tricks to prevent Algeria's independence, that fascist organization, became disillusioned, and drifted into an undertaking that consisted of destroying

everything likely to guarantee development. Everything was a target for arson: wooded areas, industrial facilities, and libraries.

By an irony of fate, our country is again the victim of that political pyromania. Only this time, the hands setting fires and indirectly sowing desolation are Algerian. Who are they, and for whom are they working?

Official sources say that the fires in the Oran region were set by young teenagers working for adults in exchange for a reward.

It is difficult, however, to clearly identify the people behind the arson. But one thing is certain right off the bat: the crime can only benefit those who have been carrying out an increasing number of attacks and thrusts recently in order to make Algeria submit.

It matters little what ideological trappings they deck themselves out in, because their objective is the same: to annihilate the Algerian state and replace it with a reign of terror, arbitrary rule, and decline. After all, will a hand that dares set fire to a tree be able in the future to add a stone to the edifice called Algeria?

New Antiterrorism Decree Has Tougher Sentences

*LD0410141292 Algiers APS in Arabic 0800 GMT
4 Oct 92*

[Text] [No dateline as received]—Decree No. 2/92, dated 30 September 1992, on the fight against sabotage and terrorism, which has been published in the official gazette, considers any infringement aiming at harming the state's security and its territorial integrity as well as the stability and normal functioning of the state's institutions as an act of sabotage and terrorism.

The decree stipulates in its first clause that all acts committed against individuals with the aim of jeopardizing their life, security and property, as well as obstructing the free movement in public roads and areas or against public or private property and equipment, or against symbols of the Republic, or obstructing the work of public authorities or the freedom of worship and public liberties shall be considered as acts of sabotage or terrorism.

Anyone forming a group or an organization whose activities fall under the definition of the aforementioned infringements may receive a prison term between 10 and 20 years; the same applies to anyone else who joins such organizations with full knowledge of their aims.

Anybody who encourages the acts mentioned in the first article, including anyone who reprints or re-diffuses documents or recordings, will be punished with a five- to 10-year imprisonment and a fine ranging from 10,000 to 500,000 Algerian dinars.

In its 6th article, the decree stipulates that any Algerian who enlists abroad in an armed association, group or organization, regardless of its form or name, which is known for its terrorist activities, even if these activities are

not directed against Algeria, will be punished with 10 to 20 years imprisonment and a fine ranging from 10,000 to 50,000 Algerian dinars.

If these acts, which are explained above, aim at harming the interests of Algeria, the punishment will thus be life imprisonment.

Anyone who is caught in possession of weapons, ammunition or explosives, manufactures them or trade in them without permission from competent authorities will be punished by a prison term ranging between 10 and 20 years and a fine between 100,000 and 1,000,000 Algerian dinars. Anyone who is caught making cold steel weapons will be punished by a prison term ranging between five and 10 years and a fine of between 10,000 and 100,000 dinars.

The decree also makes punishments, which are stipulated in the current law in force, more severe: Capital punishment will replace current life imprisonment; life imprisonment will replace current 10- to 20-year prison terms; and prison terms between 10 and 20 years will replace the current five- to 10-years. Punishment will be double for any other crime.

Procedures will be speeded up concerning interrogation and trial of those accused of sabotage and terrorist crimes which fall within the competence of the three courts which will be set up in this respect in accordance with the decree relating to combating sabotage and terrorism. This decree was published in the official gazette of 1 October.

The provision No. 26 says that the investigating magistrate [word indistinct] and that the interrogation chamber should issue a decision to refer the case for trial within one month from the date it is has been notified. In order to deal with cases that are related to terrorist crimes the legislator is the one to decide in the cases which are referred to the Judicial Council and that this must take place during the month which follows the trial decision to the [words indistinct] investigating judge.

The decisions that are issued by the special Judicial Council can be appealed against. The Supreme Court will judge the matter within two months from the date of notification. In the event of the decisions being annulled, the cases are referred once again to the special Judicial Council which consists of another judicial body.

The executive decree on combating sabotage and terrorism calls for the creation of three special judicial councils. The headquarters of these councils and their regional jurisdiction will be defined by organization. The special judicial council is composed of five judges, including a president and four assistants.

The tasks of the prosecutor in the special Judicial Council will be done by a public prosecutor to be appointed from among the judges of the public prosecution; he will be assisted by one or more prosecutors. An investigation chamber or more than one chamber is to be set up and an investigation scrutiny chamber or more than one chamber is also to be set up.

Editorial: 'Point of No Return' Reached

93AF0069B *Algiers EL WATAN* in French
28 Sep 92 p 1

[Text] The criminals are increasing their violent acts. On 27 September they killed four police officers, confirming their determination to destroy the Algerian state by attacking its symbols, in particular. Extremely serious and numerous forest fires have been reported in the eastern part of the country. Only human agents could cause disasters of such magnitude at such a time.

From now on there is no longer any reason to expect anything from these terrorists, who are sick with a murderous kind of madness. In the so-called name of Islam individuals who have no faith or respect for the law are killing women and children at airports. They even murder peaceful old people. They attack centers of learning and science, such as the University of Constantine. They are destroying the economic and social infrastructure of this country.

Only the enemies of Algeria could act in this way. Moreover, the terrorists are merely carrying out these actions; their masters are located outside our boundaries.

From now on no excuse can be accepted. The explanation that this murderous behavior is the manifestation of who knows what kind of anger and frustration is no longer applicable. Algeria is in danger. A saving increase in effort is necessary to fight against this kind of barbarism. There can be no reconciliation or dialogue possible with criminals who have decided to apply the "scorched-earth" policy in Algeria. There is just violence, and it must be eradicated. The point of no return has been reached by these adventurers.

Police Attacked, Robbed While on Patrol

93AF0069C *Algiers EL WATAN* in French
28 Sep 92 p 3

[Article by Tahar Hani: "We Knew Them Perfectly Well..."; first paragraph is *EL WATAN* introduction]

[Text] Horror has reached a new low. Once again the terrorists have struck with force. The residents of El Maqqaria (in the Leveilley area) spent a night broken by exchanges of gunfire between an armed group and four young police personnel who were carrying out their usual patrol in that city.

The drama began early in the morning of 27 September, at about 0130, in the Rue Ougnne, near "Ibn Hanifa" mosque. According to information obtained from residents of the area, the four policemen regularly patrolled in a police vehicle to check on the mosque and the area around it and had not previously been disturbed. A young employee of a food store said: "We knew them perfectly well. They were our childhood friends. We grew up with them. They were victims of something for which they were never responsible. One of them was to be married next week. Tragically, he will never do that now."

The fight, which lasted more than two hours, woke up all of the people living in this suburb of Algiers. Evidence corroborated by several of the people emphasized the fact that the four policemen who were ambushed were robbed

of their weapons after they were shot. Their bodies were lined up on the sidewalk. Around 0400 on 27 September a large number of police personnel and members of the antiriot brigades came to reinforce them and spread out in all of the narrow streets of the El Maqqaria area, blocking all exits likely to be used by the terrorists to escape.

Despite the reinforced police presence, the terrorists succeeded in leaving the area, escaping through the mosque after a deluge of gunfire exchanged between the two sides. Until late in the morning of 27 September the whole area was surrounded by the police, who even searched the interior of houses suspected of having served as hiding places for these individuals.

Until late in the afternoon of 27 September groups of young people were gathered in front of the mosque, angry and deeply disturbed by what had happened to their friends who lived in the area. Angry and, above all, sad, some of them even swore to avenge them.

Members of a group of residents said: "Everyone should join in fighting against the enemies of the nation and fighting against such actions that threaten to cost the lives of other policemen and civilians."

El Maqqaria is known for being a very dangerous area in Algiers and a hangout for members of the former FIS [Islamic Salvation Front]. The authorities also suspect it of being a base of operations and a hiding place for certain terrorist groups, which can move around there through its many small streets. Many of the leaders of the former FIS, sought by the security services, have taken refuge there, including, among others, Mohamed Said, who is still in hiding. Allel, also known as "Mohamed Leveilley," a known terrorist leader who was recently killed, was born in the El Maqqaria area.

Ibn Hanifa Mosque, through which the murderers of the four policemen fled, reportedly was the place for meetings of the Majless Echoura [Advisory Council] of the FIS before the organization was dissolved. There is great anger among members of the security services after this quadruple crime, committed in an area where, according to them, all of the troubles of Algiers began. The six or seven criminals who participated in the murders will be actively sought.

The four police personnel, who included an officer and three senior detectives, were carrying out a routine surveillance operation in a police vehicle when they were attacked.

Khammas Med El Kebir and Taane Kanm, both 27 years old and senior detectives, were killed in the first burst of fire.

Djerboub Abdelwahab, a police officer who was also 27, and Khelif Nacer, a senior detective, were seriously hurt and died of their wounds in a hospital.

A fifth police officer was reportedly killed on the afternoon of 27 September in the Meissonier area (in the center of Algiers).

Violence 'Not Threatening' Foreign Oil Partners
93AF0069D Algiers EL WATAN in French
23 Sep 92 p 9

[Text] In an interview with AL HAYAT in a corridor outside a session of the Watch Committee of OPEC held recently in Geneva, Algerian Minister of Energy Hacene Mefti indicated that: "One of the priorities for the petroleum sector, which is the principal source of revenue for Algeria, is an increase in productive capacity by about 50 percent so that Algerian production, which is currently 800,000 barrels per day, will reach 1.2 million barrels per day, beginning in 1996."

In this context he indicated that first priority will be given to the development of our petroleum and natural gas potential so that they can play their role in the expansion of production and the improvement of our export capacity.

He added that this priority will continue in effect for both the middle as well as the long term. Invitations to foreign companies to bid on the work involved are one of the elements of this policy, which provides for a series of measures aimed at working out a formula to associate these companies in the improvement and the development of petroleum production in Algeria.

In reply to a question about the outcome of these invitations to bid, which were sent to foreign companies, the minister of energy stated that this is a matter of simple invitations to bid under the usual conditions, which have been sent out since November 1991.

He said: "We have had responses for the majority of the oil fields to be developed. We have received responses for eight petroleum fields from different companies, and SONATRACH [National Company for the Transport and Marketing of Hydrocarbons] is carrying on negotiations with these companies, which should continue for several months."

In answer to a question about the decision by certain international companies to suspend the negotiations because of the unstable political situation in Algeria, the minister indicated that for the petroleum companies this involves already scheduled meetings, some of which have been postponed.

These postponements can be interpreted in different ways, since it involves putting off only two meetings with a British company and one other American company among the 30 meetings scheduled for negotiations.

All of the other companies have continued the negotiations with Algeria in Algiers or in Geneva. This is evidence, the minister said, of the continuing importance that these companies attach to taking part in the development of our oil fields and of our projects. Furthermore, he added, these companies have had long experience in working under difficult conditions and in countries where even wars have been going on.

In fact, he said, the incidents that have occurred have involved only limited disturbances in certain large cities. The petroleum fields have never experienced such activity. The incidents have been limited to the sabotage of certain telephone lines in certain cities and have never affected the

activities of the petroleum companies. Therefore, our petroleum development projects are not threatened.

In response to a question as to whether Algeria has really begun to develop its petroleum fields since it began the negotiations with the foreign companies, the minister of energy emphasized that, "We are in the negotiating phase."

He added: "Some people believe that this activity, which consists of developing our petroleum fields in association with foreign companies, is a simple, commercial operation. That is a major error, because these projects involve very complex industrial and commercial operations. It is not like selling petroleum on the market. It involves an operation based on new relationships that Algeria must establish, because they do not exist at this point. Hence the need to have a dialogue and to look for adequate ways of undertaking an action program that will take 15 or 20 years to complete."

'Serious' Security Problems in Southern Provinces
93AF0086C Algiers EL WATAN in French
30 Sep 92 p 1

[Interview with National Advisory Council Member Hadj Moussa Akhamokh by Amel Boumediene on 28 September; place not given: "Akhamokh: A Large-Scale Maneuver To Destabilize the Nation"; first paragraph is EL WATAN introduction]

[Text] *The security problems in the wilayas of southern Algeria are serious, and this problem was dealt with extensively last Monday in the course of an interview granted by HCE [Higher State Council] Chairman Ali Kafi to Hadj Moussa Akhamokh, a member of the National Advisory Council (CCN), former deputy, and prominent Touareg leader. During the interview the HCE chairman was intent on expressing the determination of the authorities to pursue their efforts to reestablish security in the regions of southern Algeria. We met with Hadj Akhamokh immediately afterward, at which time he told us of the latest developments in the southern wilayas.*

[Boumediene] There are serious security problems at Tamanrasset. Can you tell us what is going on there?

[Akhamokh] Just as the other populations of the South, the citizens of Tamanrasset have been living for months now in a climate of total insecurity. The situation worsened during the summer. I often receive reports to the effect that people are being attacked as they leave the city, and also that many vehicles are stolen or set afire and their occupants relieved of their valuables.

Toward the end of August a taxi driver even had his feet burned as he tried to jump out of his vehicle after it had been set afire. The shopkeepers of Tamanrasset are living in a veritable state of fear. Many of them have had their shops looted and set afire. According to information in our possession, foreign gangs in the region are reportedly responsible for these crimes. It has also been reported to me that weapons were found at Tamanrasset, but I have no precise information regarding this matter.

[Boumediene] In your opinion, who are these bandits and what is their objective?

[Akhamokh] I have already told your newspaper about my concern regarding certain foreigners of Malian and Nigerien origin—and many others—who were naturalized as Algerian citizens by illegal methods. I am telling you again today that these foreigners are responsible for all of this crime.

They now far outnumber the Algerian citizens in Tamanrassat. They are Algerians only by virtue of their interests. They do not work, and in reality all they do is engage in crime.

They have no means of self-support and therefore devote themselves to unlawful practices such as black marketing or simply specialize in thievery and banditry. The citizens of Tamanrasset are afraid, even when they are at home. All this is new to them.

The foreign nationals who enter Algeria clandestinely are fleeing the problems in their own countries, but they are behaving very badly in our country.

I have made many appeals to Algerian authorities asking them to intervene, because Tamanrasset and the other regions in the South want to live in a climate of security once again.

[Boumediene] It is believed that some Algerian Touaregs have taken up arms to remedy the situation on their own initiative. Is that true?

[Akhamokh] Some time ago a number of Algerian citizens were forced to defend themselves against the Malians and Nigeriens who were attempting to attack them, but they were not Touaregs. We are always trying to calm their fears by assuring them that the Algerian Government will get the situation under control.

These citizens are patient, and they listen to us because they love their country and do not want these problems to grow to the point that they are uncontrollable. I will not hide from you the fact that they are worried and anxious for these problems to be eliminated.

The government has promised us on every occasion that it will take the necessary action. They are also beginning to keep their promise by bringing stability to the region. Accordingly, many Nigeriens in possession of false papers have been arrested and brought to justice. That is a good thing, because it restores confidence to our Touaregs. Two or three days ago the gendarmerie also discovered a "cache" of Nigeriens who had been illegally naturalized as Algerian citizens and had weapons in their possession.

[Boumediene] Do you believe that the arrest of Hadj Bettou has tarnished the image of the Algerian Touaregs somewhat?

[Akhamokh] Not at all. The Algerian Touaregs know very well that if Hadj Bettou was arrested, it is because he was engaged in reprehensible activities. They have confidence in the courts.

It should also be pointed out that Hadj Bettou is Touareg only on his mother's side. His father is a native of Adrar. They belong to a family of nobles: the family of Abdel Krim El-Maghile.

[Boumediene] Have you heard of another Algerian smuggler being arrested at Tamanrasset?

[Akhamokh] I did in fact hear about that, but it was not an Algerian, and his name—Okba Kounta—indicates otherwise. He is a Nigerien, and was supplying Niger and Mali.

He is also one of the illegally "naturalized" Algerians. You will understand why I told you they constitute a threat to the region.

[Boumediene] Do you believe that a foreign hand is being used to destabilize southern Algeria?

[Akhamokh] That is true, and we are aware of the situation, but no one can manipulate us. To those tourists who are being advised not to travel to southern Algeria—citing as a pretext continuing instability or even rebellion—we say that a large-scale maneuver aimed at harming our country is the underlying cause of this activity, which is indeed harmful.

[Boumediene] You are in fact an "entity" that is evolving far removed from the political debate. Despite this fact, can you tell us what you think of the national dialogue?

[Akhamokh] Dialogue has always been the best way to resolve a country's problems. It is a very good thing, insofar as it allows everyone to express their opinion on these problems, to discuss them, and possibly to find common ground.

We are all Algerians, and we should all combine our efforts to help our country emerge from the present crisis.

'Terrorists' Found With 220 Kg of Cannabis

93AF0080D Algiers LIBERTE in French 20 Sep 92 p 2

[Article by Lamine Chikhi: "Violence and Hashish"—first paragraph is LIBERTE introduction]

[Text] The war against terrorism may conceal another war: the war against drugs. Algeria is not yet Afghanistan, but...

Chakendi Abdelkader's revelations led to the arrest of nine more terrorists in Bechar.

Searches at their homes led to the discovery of a large cache of arms and ammunition and, most important, 220 kg of cannabis plants.

At the time of the Khezrouna operation, the terrorists were found in possession of white powder (cocaine) in addition to arms and ammunition.

In Staoueli, west of Algiers, a farmer found nothing better than to plant cannabis. True, it is far more profitable than wheat.

In Afghanistan, for instance, opium sells for about eight times the price of wheat.

Is Algeria about to turn from an opium consumer into an opium producer? As have Morocco, where some 20,000 to 30,000 hectares are planted with cannabis; Lebanon and its "fertile" El-Bekaa plain; Afghanistan and its refugees' opium (a farmer who harvested opium told a representative of the Geopolitical Drug Observatory: "I fought the jihad ((holy war)) for 10 years. In 1991, I came back home to farm my land and I set aside 5 percent of it to grow that filth. This year, my family, refugees, came back and I had to increase the percentage to 25 percent."); and Pakistan

and its rich Sind province¹ (where graveyards, in particular, have become heroin distribution centers, with dealers hiding small drug packets in tombs and waiting for customers at the neighboring mosque)...

Is Algeria going to be drawn into a similar experience? This is a working hypothesis, and it is extremely dangerous.

Footnote

1. DEPECHE INTERNATIONALE DES DROGUES,
No. 10, August 1992.

Security at Skikda Industrial Zone Discussed 93AF0065D *Algiers LIBERTE* in French 27 Sep 92 p 2

[Article by Ahmed Boudrouma: "No Room for Error"; first paragraph is *LIBERTE* introduction]

[Text] *Among the concerns of the hour for officials at the SONATRACH [National Company for the Transport and Marketing of Hydrocarbons] units in the Skikda industrial zone, the security of the installations is of particular importance.*

Scattered over an area of 1,200 hectares, those units have a security service. But that is not enough, seeing that the interdependence existing among them justifies the presence of a coordinating service.

That was why the management firm for the Skikda industrial zone was established, but that firm's duties do not stop there, since it is also responsible for managing the common infrastructures and providing services around the plants, either directly or through the private sector.

Mr. Kadi, general manager of Engzik [expansion not given], explained the objectives to us. They are: to surround the petrochemical platform with a complete network of units or subsidiaries, including a sanitation firm and a company for transporting personnel, and especially to set up a state-of-the-art maintenance unit, with SONATRACH contributing an investment of \$20 million.

The firm has a large unit in charge of security. Known as the FIR (Reserve Intervention Force), it has considerable resources at its disposal and provides reinforcements for the existing individual security units. It also organizes simulated alerts.

Roughly speaking, it manages the Orsec [Disaster Relief Organization] plan, coordinates security, and protects and manages telecommunications within the zone, for which it operates a radio station. Street lighting, drainage, and firefighting are also among the FIR's responsibilities.

In another connection, Kadi pointed out that the firm, which is not part of SONATRACH, would be better off if it were made a subsidiary of the ENIP, Naftec [expansions not given], and SONATRACH, since that would make it more efficient. So far, it is operating with the participation of all the firms in the zone. Officials of those firms used to view the company as a burden and were stingy about paying their share. Things now seem to be changing for the better, and there is more definite support because of awareness of the importance of security.

This is true especially in view of the great age of the equipment on the one hand and, on the other, the tension at the guard posts at the entrance to the plant.

It should be pointed out that the petrochemical platform is located on the road between two major urban centers: Skikda and Les Platanes. Cars take the main road through the zone because all drivers prefer to save time by taking that route rather than the new bypass, which, besides being longer, presents many difficulties such as dangerous curves, narrow lanes, and the poor condition of the roadway.

Regarding the possible danger to Skikda of the petrochemical platform, which some people have described as a time bomb, it is insignificant and indeed nonexistent—there would be no danger even in the extreme case of an explosion. As far as chlorine leaks are concerned, the production of liquid chlorine has been stopped as a safety measure. It should be pointed out, however, that urban growth is bringing the town closer to the plants. That growth needs to be subject to the customary standards, with an area around the zone being left vacant. Moreover, the Bouabba area should not have been built because of the effects of pollution. In that connection, incidentally, a program has been started with the CER-Hyd [expansion not given] for the purpose of analyzing the rates of atmospheric pollution.

Concerning medical facilities, it should be noted that it is absurd that so far, Skikda does not have a hospital for victims of major burns. Kadi deplored the fact that there is not even a small ward for keeping such victims alive pending their evacuation.

SONATRACH, which is linked to Europe Assistance through an agreement, is thinking of building a ward for emergency care that would include a landing platform for helicopters, since there is also an agreement with the ANP [People's National Army] under which the latter provides transportation of that type. Concerning the airport, which is located within the zone but is currently not being used, it has been requested that the people and organizations occupying that airport be evacuated, but there has been no response.

The airport, whose runway has been made ready for use, could be used for landing by small aircraft if weather conditions were right, particularly for the purpose of bringing in foam from abroad in case of fire.

The other big problem as far as the plant's security is concerned is the presence of squatters. About 300 families are damaging the facilities and are also at risk because in some places their tents have been set up over pipes. In addition, that community needs to be supplied with water from the zone's facilities, meaning that those families could not be evacuated without the help of local authorities. That de facto situation is preventing completion of the fence, which is still open in two places: one providing access for those families and the other providing access to the Souk El-Fellah [shopping center]—and one wonders what that shopping center is doing inside an industrial zone and especially whether its commercial activity justifies its continued presence.

In those conditions, the security arrangement has weaknesses, which it is compulsory to correct very quickly, because let us not forget that the petrochemical platform represents an investment on the order of \$5 billion (the cost when it was built) and that it accounts for nearly 40 percent of the country's foreign exchange earnings.

New Security Measures at Airport Detailed
93AF0086B Algiers EL WATAN in French 4 Oct 92 p 3

[Article by Tahar Hani; first paragraph is EL WATAN introduction]

[Text] The appalling crime committed at the Houari Boumediene International Airport will long be a gruesome memory in people's minds. One month after the death of 10 innocent persons, the airport still presents a picture of desolation and sadness. The restoration work begun immediately after the crime has not succeeded in restoring the atmosphere of cheerful animation that had always prevailed there.

The crime has given rise to a series of extraordinary security measures designed to maintain order in an appropriate fashion and prepare for any contingency. Access to the airport is strictly forbidden to persons awaiting the arrival of passengers, and this has caused groups of such persons to gather in front of the airport building. Others, however, choose to stand along the road, thereby impeding traffic. The taxi drivers have left their original stations and instead are "showing up" at the parking lot. With every plane arrival, two dozen vehicles "station" themselves at the airport exit to pick up passengers. "We are seriously hindered in our work," one professional driver explains, "but we have no choice. Security takes precedence over everything else."

The number of security guards has been increased at all levels. Individuals and their baggage are meticulously searched. A new system—one which is a source of annoyance, to be sure—has been put in place for at least as many days as are needed to renovate the entire airport.

The traces of the crime are still vivid and remind the passengers constantly of the numerous human lives that were lost last August. "It is very difficult for me to forget these unhappy events," one woman said. "These are our brothers and sisters who have lost their lives without having done anything. I hate this place now. I wouldn't ever to come back here."

Bulletin boards that provide the public with information (times of arrivals and departures, destinations, flight numbers, and so forth) have been erected outdoors. The destinations are written with white chalk. Some distance beyond, attached to a pole, are microphones over which you can hear the voice of the hostess making various announcements.

The concourse still gives the impression of a disordered construction site. The half of the building that accommodates the arrivals has not yet been repaired, except for the installation of new signs listing schedules and destinations. Restaurants, cafes, kiosks, and offices have not yet been reoutfitted.

This area will not be reopened in the very near future, we are told. Paint cans, paper, and other work objects are scattered over the floor.

There are small holes remaining in the walls, and they do not go unnoticed by the visitors, who are increasingly scarce. The nightly barhopping is only a memory for all the habitues of the area.

The newly refinished exterior of the ceiling stands in stark contrast to the rest of the building. The two large doors inside the concourse are closed. Only a small opening is left for passengers who hold a ticket marked "OK." Everyone else is forbidden to enter, for they will encounter policemen who are quite properly controlling the movement of the passengers. Even though they experience a certain inconvenience, the passengers believe all these security measures are necessary and beneficial.

"More measures are needed," one passenger declared. "No one is safe from injury or death. They (the terrorists) can easily strike again. You would simply have to station soldiers there, because it is a place frequently visited by Algerians and even by foreign nationals."

At Algerian airlines facilities, the usual atmosphere has not changed much. There are fewer annoyances by comparison with the international airlines.

There are barriers around the concourse. To enter, one must present a ticket. Police personnel control the people at the entrance. The interior decor has not been changed. Everything is in its place.

The customers of the airport concessions, however, are increasingly scarce. No one dares to make the rounds of the cafes. This situation has resulted in a severe decline in the revenues of the operators of many businesses inside the airport.

"We used to be unable to meet the demand of the passengers," one confectioner explained. "Now, however, our products remain on display until the evening. There are no longer any buyers for them. We hope that confidence will be reestablished, and that the two airports will resume their customary activities," he concluded.

Unions Respond to Government Action Plan

93AF0037C Algiers *ALGER REPUBLICAIN* in French
22 Sep 92 p 3

[Article by K.N.: "Government Plan Described as 'Point of Departure'"]

[Text] The Abdesselam government action plan made public on Saturday has not drawn hostile reactions from employers or labor.

The few organizations to comment on it thus far say it is still premature to pass judgment. They note that generally speaking the program addresses present needs, but they question its feasibility. It will take time for things to become clearer, say the two organizations that have spoken out to date.

UNEP (National Union of Public Entrepreneurs), which says in its communique that "the major concerns raised by the public enterprise sector" are addressed in the government program, believes nevertheless that the latter "means nothing without a time frame," because (according to the communique) the time frame for action is critical for meeting the political needs of the day.

According to Mr. Kahoul, president of the General Union of Algerian Entrepreneurs (UGE), which "normally judges solely by actions" taken on the ground, UGEA believes Mr. Abdesselam's plan "could be a point of departure" for efforts to deal with the current crisis, "if implemented rigorously and with absolutely no discrimination."

Mr. Kahoul went on to say that in the past "many decisions" taken officially and solemnly by the central government "have remained a dead letter." He said "it is premature," at this stage, "to pass judgment." The UGEA president noted it will take time to see how the plan is to be implemented before meaningful assessments can be made.

UNEP too believes the government program "offers plans to address" all "the issues identified" by analysis [of the country's plight]—constraints, potentialities, the struggle against corruption, national solidarity, government restructuring—but adds that "some of the measures under consideration arouse concern."

In that regard, the UNEP communique says "the organization will "spell out its positions" following a "more in-depth study of the program."

Finally, the National Market Economy Development Association (ADEM), which calls itself a nonpolitical organization, says in a communique that reached the editorial office that its "constructive proposals" for amending the Abdesselam government plan will be "submitted in the first half of October." For the moment, the communique adds, ADEM "has turned the government program over to high-level experts for thorough, detailed study."

Plans To Increase Oil Production Announced

93AF0037B Algiers *ALGER REPUBLICAIN* in French
22 Sep 92 p 3

[Article by APS: "Algerian Oil Production Will Increase 50 Percent by 1996, Says Mr. Mefti"]

[Text] In an interview with the daily AL HAYAT on the margins of the meeting of the OPEC monitoring committee held recently in Geneva, Algeria's energy minister, Mr. Hacene Mefti, said "one of the definite priorities for the petroleum sector, which is Algeria's principal source of [foreign exchange] earnings, is a 50-percent augmentation in production capacity, from the present level of 800,000 barrels per day [b/d] up to 1.2 million b/d by 1996."

In that connection, he indicated that absolutely top priority will be given to exploiting our oil and gas reserves, in line with the policy of intensifying production and strengthening our export capacity.

On the subject of oil prices, the energy minister said it was his opinion the accord reached recently in Geneva will push the per-barrel price up to \$21.

He also said that by the year 2000 the volume of Algeria's natural gas exports will grow to 55 million cubic meters, overtaking the country's oil production.

Fiscal Aspect of Government Plan Discussed

93AF0037D Algiers *ALGER REPUBLICAIN* in French
20 Sep 92 p 1

[Article by M.M.: "Abdessalem Plan: Double Rupture"]

[Text] The government plan was adopted yesterday by the Council of Ministers, in a session chaired by Mr. Ali Kafi and attended by other members of the HCE [Higher State Council]. The Council of Ministers said in its communique that "this program is intended to pull the country out of the deep and many-sided crisis it is facing, by fully restoring the authority of the state, giving top priority to resolution of the country's social problems, and [effecting] a sustainable national economic recovery."

The communique adds that "the program also establishes mechanisms to make national solidarity a reality, notably through investigation of illicitly acquired fortunes and the war against speculation in all its forms."

Financial Revolution

- Multiple exchange rates;
- Unregulated currency exchange market;
- Treasury bonds, possibly.

"A system of multiple exchange rates will be established." These few words from the voluminous government action plan constitute in themselves a veritable revolution in the Algerian financial system. And of all the issues touched on by the government, those having to do with monetary and financial policy are most striking. Belaid Abdesselam has taken action. Doubtless in the next few days we will start getting reports of acrimonious debate erupting in financial and business circles between supporters and opponents of the government's new proposals.

The government says this multiple exchange system—"which has already been used in many countries, including the most advanced, when they believed it was in their interest to do so"—will be "installed for a three-year transition period, in cooperation with the International Monetary Fund [IMF] and in accordance with the articles of the IMF, to which Algeria as a member country has adhered."

The government sees this as a transitory arrangement and intends to "bring the different exchange rates into convergence on a single rate," thus eventually making "Algerian currency freely convertible."

But Belaid Abdesselam's most imaginative stroke was his decision "to institute a free-currency exchange market, separate from the regulated exchange market."

"This free market will operate according to the law of supply and demand," he says in the plan. Moreover, the advantageous exchange rates could be used by emigrant and foreign investors.

The government also plans to take steps to "resorb excess liquidities," but the program offered no specifics on the measures under consideration.

Noting that inasmuch as "the actions required...will have the effect...of reducing taxes and ordinary budgetary revenues, the government may have recourse to issuance of treasury bonds in order to meet all its obligations." According to the new government team, this "debt, which will ultimately have to be paid by the treasury," is useful and bearable, but "entails the need for the most unremitting stringency in controlling public spending."

Contradictions, Complexities of Recovery Plan

93AF0070B *Algiers L'OBSERVATEUR* in French
23-29 Sep 92 p 4

[Article by Abed Charef: "Kafi and Belaid"; first paragraph is *L'OBSERVATEUR* introduction]

[Text] Belaid Abdesselam wants to do everything and to do it well. He has the support of Ali Kafi, who has begun a timid opening toward the political parties. Following is an analysis of the risks of failure, which seem to be real.

Ali Kafi and Belaid Abdesselam spoke on the same day. The president of the HCE [Higher State Council] reserved for himself the political aspect, which he defined in a speech made before the National Consultative Council, which is all that is left of the institutions of the country. He left to the prime minister the task of setting out courses of action in the economic and social area, published on this occasion by *EL-MOUDJAHID*, which has again been designated the newspaper of the government in power. The two speeches are on the same wavelength, both marked by a sense of authority affirmed, to which is added a timid prospect of opening up the situation. There is even generosity in the air, like the offer addressed by Ali Kafi to repentant terrorists.

However, one point struck analysts as they read the texts of the two speeches. The more ambitious and grandiose the projects, the more the ways of getting there are enveloped in uncertainty, if not by doubt and obscurity. Therefore, at a time when politicians were expecting from Kafi that he would define the content and the procedures of the dialogue, which the HCE announced would be held on 21 September, the chief of state limited himself to calling for the development of a national consensus. It is true that on the following day he received the leaders of the FLN [National Liberation Front], giving specific meaning to his statement.

The other political parties will be received in turn during the next few days, and the object is reportedly a matter of organizing a conference to be held one to two months from now, so that all of the parties involved in the dialogue will adopt a final declaration affirming their commitment to democracy, to the republic, and to civil peace, while condemning any recourse to violence. In return the freeze in political life now in effect will reportedly be lifted, and the government program will be implicitly supported or, at least, will not be opposed.

An important gap in the effort being made by the government is the fact that the place of the Islamists in the dialogue has not been defined, with the exception of "repentance," which has been offered to them. Clearly, the HCE does not wish to set limits that might cause trouble for it in the future. Therefore, if it totally excluded the Islamists from the dialogue, it would risk emptying the exchange of an important part of its contents. On the other hand, if it included them from the beginning, it would risk making them a major, political force, while alienating itself from potential allies opposed to the presence of the Islamists.

That has led the HCE to choose a pragmatic program between the two extremes. Initially, a separate discussion will be undertaken with representative, non-Islamist forces to place the government in a position of strength and to mark out the ground. In a second stage, with the eventual support of these non-Islamist forces, it will be able to strengthen the antifundamentalist consensus and impose the conditions for any discussion with the Islamists.

The management of the dialogue in the past seems to have been handled very well and is being accompanied by the necessary speech on security. Moreover, one indication points in this direction: no attack was reported during the week which preceded Kafi's speech.

No Elections?

However, the prospects for this dialogue are still very vague. You have to look at the program of the Abdesselam government to get an idea of what might happen. The government program clearly states that three years will be necessary to recover from the present crisis. Is it possible to wait for three years while still in a process of transition, with a "rigorous" austerity program in effect and a political situation that is unable to move? It would seem difficult to convince its political partners to be patient for so long a time.

Abdesselam also has announced substantial, legislative work that will take months to complete. The Consultative Council, which will approve the text of these laws, does not have the necessary legitimacy to assume responsibility for this political task, according to the statements which several party leaders have made to us.

What is still more important is that undertaking Abdesselam's broad program requires postponing all elections to assure it of the conditions of stability necessary for its success. Once begun, it seems in fact to be preferable to let Abdesselam's program continue in operation until it is completed, rather than stop it by the end of 1993, a time when the mission of the HCE should normally end.

Not to speak of the complexity and even of the ambiguities, which the prime minister's program contains, many economists whom we have asked have said that they had a feeling of "discomfort" when they read what Abdesselam intends to do. The course set out, with the combined elements of economic recovery and austerity, has received unanimous support. However, the ways of reaching that goal often leave them skeptical. Thus, they note the numerous steps to be taken, which seem to have little chance of success.

For example, the fight against corruption, which has been made a priority, makes you smile when you think of the possible trials of corrupt elements, with the cooperation of their foreign partners. It is hard to see how the source of the corruption would denounce the person corrupted.

Morality and Business

Another ambiguous point: Abdesselam wants to know the origin of the capital likely to be invested. Is it useful to make those who have money fearful, even if it is "dirty," when the country has so pressing a need for money? Moreover, the questions comes up in a cyclical way. Because Algeria does not have many true capitalists, is it necessary to hang those who have accumulated money, even in an illegal way, or is it preferable to invite those who have money to recycle it and so contribute to economic recovery? Curiously enough, substantial facilities, including the manipulation of foreign exchange rates, will be extended to foreign investors and to Algerians living abroad. In this connection it will not be possible to check on the morality of capital.

In the same way reviewing activities related to the acquisition of state property seems so sound in moral terms that it will be difficult to apply. Who will review what? Who can feel so beyond reproach in terms of morality today to judge other people? In any case, settling old scores, which such an operation threatens to unleash, will feed the rumor mill, the more because well-known people are involved, in the broad sense, including those of yesterday, today, and tomorrow, who essentially have benefited from the system. Checking on fortunes is also a windfall for settling old scores, even if it is justified in ethical terms.

However, Belaid Abdesselam has the merit of posing certain major problems crudely. He has coldly considered it impossible to free the country of debts over the short term, as well as the temporary closing of companies, the increase of unemployment, and deterioration in the standard of living. His key word is austerity from now on, for which he uses many adjectives. It will be drastic, rigorous, and equitably shared by the various social classes. However, this resolute choice in favor of social justice will not change reality. A rich person under conditions of austerity is still a rich person. And a poor person under conditions of austerity is miserable.

The Debt, the Debt

The prime minister has also lifted the taboo on mentioning privatization. However, he has posed conditions that make it less than attractive. It will not be possible to buy more than half of the shares of stock in strategic enterprises or in company groups. That seems aimed at directing money toward new investment. However, Abdesselam recognizes

that all of that is only useful over the long term. New investments in petroleum and natural gas, which could bring in foreign exchange, will only provide results over a three-year period, during which the weight of the debt will become less heavy. Moreover, the prime minister's program reduces the essential aspect of economic problems to the burden of the debt, which does not seem to be the case in the view of many economists. Structural problems are also as important, and the eventual availability of new money will only postpone the date of repayment, at best.

More important still is the fact that Abdesselam admits that he does not have a solution to the problem of the debt. He does not mention rescheduling at all. He continues to speak of rearranging it and also advocates austerity and economic rigor. Therefore, there is no fundamental change, apart from the announcement of intentions, which will have to be verified on the ground. Hence it is difficult to see how Abdesselam is going to reconcile this cruel lack of money with his intention of again starting up major projects of investment and infrastructure, which will absorb enormous amounts of capital.

All of these are contradictions. Contradictions between the intention of resorting to austerity, while wanting to mobilize savings, between distrust of the private sector and the appeal made to it, between the admission that there is no immediate solution to the debt and the desire to invest on a large scale, between the cruel lack of money and the intention to do more in the social field. Therefore, all of these are contradictions that give the impression that Abdesselam wants to do everything and to do it well, without really having the means, nor achieving overall coherence in his actions. In a difficult and unstable political climate, Kafi's support threatens to be inadequate for the implementation of his program. Therefore, a minimum consensus is needed to hope to succeed. However, his political and social partners may show that they are reluctant. Then there would probably be no more than a single institution which would be in a position to let him continue to the end: the Army.

This is once again and has always been the case.

Foreign Currency Reserves Reportedly Increasing

93AF0069A *Algiers EL WATAN* in French
28 Sep 92 p 1

[Article by Arezki Benmokhtar: "Algeria Leaves the Red Zone"; first paragraph is *EL WATAN* introduction]

[Text] The foreign exchange reserves of Algeria continue to increase. In the course of this month they reached a positive balance of \$1.63 billion. This is what Abdelkader Belgherbi, vice governor of the Bank of Algeria, indicated to APS. As a result, Algeria is progressively moving out of the area of negative balances, which characterized its foreign payments situation between 1989 and the end of 1991, thereby reestablishing a certain equilibrium in its balance of payments.

In June 1991 foreign exchange reserves recorded a negative balance of \$890 million below zero (see statement by then Prime Minister Ghozali [not reproduced]). Some nine months later, i.e., in March 1992, foreign exchange reserves rose to nearly \$1.0 billion, whereas they had only amounted to \$100 million in December 1991.

This positive indication of the financial health of Algeria was the result, in fact, of a combination of two factors. That is, rescheduling part of the external debt with Italy, i.e., \$2.7 billion, and the debt owed to a group of banks led by the Credit Lyonnais, which was due between 1 October 1991 and 31 March 1992, covering \$1.45 billion. Furthermore, there has been a noticeable decline in imports, particularly since 1991.

These two factors taken together, allowed Algeria to save on its annual expenditures in foreign exchange, characterised principally by an enormous amount of money required for the service of the debt.

The rescheduling operations, by themselves, saved \$1.7 billion in 1992 and will save \$1.4 billion in 1993, by putting off the date for repayment of the loans.

It is noted that this positive foreign exchange balance excludes any attempt at "swapping" gold and that this level of foreign exchange holdings can be further stabilized by the institution of a system of multiple rates of exchange, announced in the government's program, and the implementation of the directive of 18 August 1991, limiting access to state owned foreign exchange for financing foreign trade activity. In fact, only strategic products, such as mass consumption items and medicines, will continue to have access to state-owned foreign exchange. A substantial number of companies will have to obtain their foreign exchange on the free foreign exchange market, still to be established, or be satisfied with their income in hard currency from the export of their products.

However, the objective of making the Algerian dinar convertible is still far into the future, due to the inadequacy of these reserves, which could only cover about two months of imports.

However, the positive balance of foreign exchange holdings is very beneficial for the ability of Algeria to operate in foreign markets, since it makes it possible to pay cash when necessary, as well as to finance the 15-percent deposit required for international financial operations (on commercial loans).

Moreover, petroleum forecasts are based on an increase in the price of a barrel of crude oil during the next few months that, with the current increase in the exchange rate of the dollar, could make these foreign exchange reserves increase further.

However, this improvement depends on austerity in the management of these reserves to avoid useless expenditures.

In this connection Belaid Abdesslam recommends austerity, which will support the forecasts of a steady increase in these foreign exchange reserves, particularly as the convertibility of the dinar is one of the priority objectives of the government.

Multiple Exchange Rate; Background, Intent Noted

93AF0070C *Algiers L'OBSERVATEUR* in French
23-29 Sep 92 p 3

[Text] To carry out a revaluation of the dinar, the government has just decided to establish rapidly a system of multiple rates of exchange, replacing the present official and single rate of exchange.

It is planned that this measure will be in effect for a transitional period of three years.

It is also planned to set up a free, foreign exchange market through official, public agencies or approved, private agencies.

This decision to establish a market with multiple foreign exchange rates is presented as aimed, over the long term, at unifying the rates of exchange with the prospect of free convertibility of the dinar.

The system of multiple exchange rates, which has been adopted by a certain number of developing countries or by countries in transition toward a market economy, amounts to keeping a rate of exchange that is overvalued for certain operations or certain areas of activity that it is desired to protect, on the one hand, and to devalue, on the other hand, the national currency for operations or activities considered nonpriority.

The exact number of rates of exchange that will be in effect in Algeria is not known at present. However, the government program has allowed it to be understood that a certain number of "sensitive" products, such as medicine and agricultural inputs, as well as probably certain strategic, industrial products, will benefit from the most favorable rate of exchange.

Also to be established is a system advantageous to industrialists living overseas, as well as to foreign investors who wish to place their capital in the production and services sector.

With the forthcoming establishment of a market with multiple foreign exchange rates for the first time in Algeria, the Algerian foreign exchange system will have gone through three, fundamental phases.

Until 1988 the foreign exchange policy applied was set up in such a way that the dinar was always overvalued in terms of a basket of currencies of countries from which our imports come.

This system sought to reduce the cost of imports for business people, particularly those handling industrial equipment and raw materials necessary for meeting the food needs of the country.

It was after 1988 that the rate of exchange of the dinar began to be established through a devaluation that began with a slow depreciation presented as a slide in the value of the dinar.

It was after 1990 that the dinar went through a major devaluation, in accordance with agreements reached between Algeria and the IMF in 1989. Since then, substantial devaluations have succeeded each other, raising the

official value of the American dollar from five Algerian dinars in 1988 to 23 dinars in 1992.

Until recently, the establishment of multiple rates of exchange was considered heresy by the IMF, which was strongly attached to the unification of exchange rates.

It was known that negotiations have been under way between Algeria and international financial institutions since May 1992, looking toward the signature of a new agreement with the Fund. However, secrecy regarding the substance of these negotiations was well guarded, and the government program was a surprise when it indicated that: "A system of multiple rates of exchange will be established in cooperation with the IMF and in conformity with the regulations of the Fund, to which Algeria has agreed."

Steps Toward Market Economy Assessed

93AF0070A *Algiers L'OBSERVATEUR* in French
23-29 Sep 92 p 12

[Article by Hassane Haddouche: "The Market, Even So"; first paragraph is *L'OBSERVATEUR* introduction]

[Text] Contrary to what an alarmist and "self-interested" interpretation of the first statements by the prime minister could have made people fear, there will be no "return" to the 1970's.

The government program made public recently unquestionably concerns the need to develop "a market economy based on domestic production and consistently and fully open to the world."

Furthermore, it contains even unprecedented and spectacular elements which, moreover, have been immediately reported by foreign press agencies. These include: an official free market for foreign exchange, operating in accordance with the law of supply and demand; the establishment of customs duty free zones; and opening up the capital of publicly owned enterprises to private partnership arrangements with the participation of both foreign and domestic capital, which could well be interpreted as an acceleration of the policy of liberalization of the Algerian economy.

However, that would be going a little too far into the program. In reality, although it is necessary to look for the elements in the Abdesselam program, which mark a break with the way in which economic reforms have been carried out over the past few years, it is no doubt in its emphasis on their necessarily progressive nature that the principal new elements will be found.

From Shock Treatment to Gradualism

The speed and the extent of the shift since the devaluation of the Algerian dinar; the freeing of prices at an accelerated pace; and the assumed impact of the rules of financial orthodoxy, imposed on financial institutions, as well as the state budget itself—these seem, in the minds of those who drafted the work program of the government, to involve the risk of a generalized sag in our economy. Such a sag would "negatively affect the purchasing power of salaried workers, painfully lowering the living standards of the mass of the people, dangerously worsening the lack of balance in public and privately owned companies, and even threatening to reduce to nothing the efforts made by

our agriculture to increase its contribution to providing the country with essential supplies."

In fact according to them, the implementation of the reforms until now, reportedly has had all of the characteristics of shock treatment illustrated by the well-known phrase, "Either this program is carried out or everything will break down." The key and the essential risk is related to an abrupt change of economic policy, with the result that potentially viable factories might go into bankruptcy and potentially productive workers might lose their jobs.

In the midst of all of these considerations (cf, the "Vultures") a privatization program carried out too quickly threatens to end up by undervaluing assets and raffling off public property at a low price. The government program clearly expresses the conviction that, "in certain cases involving the valuation of existing property in connection with a few investments and in the organization and management of its work it would be enough to ensure appreciable growth and to make our industrial products competitive in domestic and foreign markets."

Therefore, the cause is understood, and the government program will be implemented gradually in the future. In particular, it will take into consideration the form of a system of multiple foreign exchange rates established for a period of three years "in cooperation with the IMF and in accordance with the regulations of this fund." This would make it possible to begin a "certain revaluation of the dinar" for sensitive products (medicine and agricultural inputs are mentioned).

During this three-year transitional period an effort will be undertaken to make the different rates of exchange for the Algerian dinar evolve in the direction of a single rate. "The final objective of the government is to end up with the free convertibility of the dinar, without damaging the essential elements of our development."

Simultaneously, the state will break with the rules of financial orthodoxy set forth in the Law on Money and Credit with the objective of resolving "certain financial problems" of the publicly owned enterprises by increasing treasury indebtedness.

From Privatization of Enterprises to That of the Environment?

Discussions on the conduct of the economic reforms, which are becoming classic, do not concern only their speed of application. They also oppose supporters of the prior privatization of enterprises, who see in this course of action a way of making the disengagement of the state from the economy irreversible and increasing the pressures in favor of movement to a market economy, and their opponents, who state that the acquisition of capital by the private sector requires from financial institutions experience and qualifications that we do not have.

Without such experience and qualifications accelerated privatization would run the risk of feeding corruption at all levels and causing economic and political chaos.

On this point also the Abdesselam program has made a clear decision. The environment will be privatized first (prudently?).

This will be the case, even if a code of foreign investment is announced, which simultaneously encourages direct investments and companies jointly owned with Algerian partners from the public or private sectors.

Participation by foreign interests is limited to 49 percent of the capital in company groups and in the subsidiaries of public enterprises which are considered strategic.

For other enterprises, even if the participation of private Algerian or foreign firms is not limited, the entry of such companies will nevertheless require the prior authorization of the state and will be based in particular on the principle that "the process of turning over property will be systematically preceded by the rehabilitation of the company concerned in all of its components." This is to be done with the evident intention of avoiding the undervaluation of publicly owned assets and their transfer under conditions disadvantageous for the community as a whole.

Although the choices made by the present government team have clarified a certain number of the essential stakes involved at the strategic level, the uncertainties concerned are far from having all been resolved.

The first issue relates to the degree of austerity that will be imposed on enterprises and on the Algerian people. Everything will depend on the availability of foreign exchange. In this area nothing is certain at the moment.

Despite the replacement of Hadj Nacer as director of the Bank of Algeria, the strategy of "rescheduling" the external debt will continue to be followed, even though the risk that this will involve, simply in putting off repayment of portions of the debt as they come due, has been noted.

The same can be said for resources coming from royalties eventually to be paid for the exploitation of oil and natural gas deposits. Abdesselam does not seem to be ready to go as far as the petroleum companies reportedly wish.

In short, although the present cabinet gives the impression of preparing itself for the worst—the arrangements for the future shutting down of publicly owned enterprises is even described in detail in the government's working program—its desire to take action continues to provoke a certain amount of disbelief at the moment. In this case a second uncertainty concerns the determination with which the reorganization of the economy will be undertaken. It is one thing to allow three years to carry this out by giving enterprises this respite. It is something else to undertake right away the actions that will make possible, at this time, achieving a single rate of foreign exchange and, eventually, the convertibility of the dinar.

In this regard we could ask ourselves about the coherence of a policy that states that it wishes to mop up excessive liquidity in such a way as to reduce the pressures on the value of the national currency, while at the same time completely freeing the state itself of the constraint of budgetary balance, by authorizing it to go into debt to the institute issuing the currency.

It is clear that, in the absence in this area of precise, quantitative objectives on the evolution of credit policy (concerning which we will probably know in the near future whether these objectives must be subject to an

agreement with the IMF) all kinds of slippage seem possible. And in such a case the entry of Algeria into a market economy would continue to slide back over the horizon.

Parallel Economy 'Threatening' Official Economy

93AF0080C Algiers *LIBERTE* in French 21 Sep 92 p 7

[Article by Karim Abdesselam: "Underground Economy: Floating Billions"]

[Text] The Algerian economy is a two-speed economy. At a time when the trend is to make sinister predictions, when the present recession is closing down hundreds of small, midsize, and large companies, and threatening to put tens of thousands of workers out of work, consumption indicators clearly show that, in Algeria, recession does not necessarily mean austerity and lower standard of living. Runaway consumption is a fact. Pending the effects of the government measures announced by Mr. Abdesselam, Algerians project the unreal image of people who live above their means. Actually, this is just the reflection of a known fact. While the official economy is in a sorry, a very sorry state, the underground economy—the so-called informal economy—continues to thrive, even threatening to supplant the official economy! When the authorities acknowledged that a trifling 50 to 80 billion dinars evade taxation every year, what they actually acknowledged is that this underground economy is strongly rooted, that it eats into all sectors of activity, and that it represents annual sales of hundreds of billions of dinars. This situation—which results from the national economy's imperfections and dysfunctions, as well as from a deliberate lack of firmness—is now quite out of control.

The policy of so-called recovery of speculative income does not seem to have yielded many results. The "nest egg" economy of privileged Algerians may well distort any government policy that would not take that factor into account. At a time when official economy is at a standstill and public finances completely depleted, recourse to this form of "savings" may offer an alternative, in particular to boost investment. The role of banks is precisely to attempt to modify judiciously this huge pile of money by providing reassurance, and remunerative investments for these floating billions which, at present, serve merely to fuel runaway consumption and its corollary, inflation. This may be the lesser of two evils.

Private Sector 'Suffering' Due to Shortages

93AF0069E Algiers *EL WATAN* in French
23 Sep 92 p 9

[Article by H. Bouarfa: "Oran: the Private Sector Is 'Suffering"'; first paragraph is *EL WATAN* introduction]

[Text] Oran (from our bureau)—Like the public sector, the private sector is going through a very critical period in the western part of the country, after using all of its security stock of raw materials.

Practically 90 percent of the companies in the textile and plastics sector have totally shut down. The agrofood, paper, and construction industries are also having enormous difficulties.

Many businessmen are asking themselves whether they are really affected by the latest decision by the government, involving the payment of salaries due up to 30 September 1992.

In this connection Benielou, president of the domestic textile section in the National Chamber of Commerce, reportedly said: "Despite the interministerial decree prohibiting the import of finished textile products, the parallel market is still being supplied with smuggled goods. It is necessary for the state to permit bank financing, because recourse to the parallel market in foreign exchange is a burdensome operation, which makes it possible for black-market operators to enrich themselves even further." He continued: "Only the intervention of the state will be a real solution, because the market should be regulated on a permanent basis." He concluded: "Not everyone is treated in the same way. It is imperative for all companies to be treated in the same way, whatever the legal status of their capital."

Other commercial activities, particularly the paper products industry, are going through difficulties. The manufacturers of notebooks, who have no problems with paper, are nevertheless encountering difficulties in replacing their machinery and a shortage of spare parts. Benyahia, PDG [president and director general] of the Oran Paper Products Company, expressed satisfaction that Algeria is not importing notebooks. However, he wished that raw material for the manufacture of paper were produced locally.

Since Benyahia obtains all of his supplies of paper from CELPAP [Cellulose and Paper Enterprise] in Mostaganem, he sympathized with the problems of his supplier. He said: "At times our activity is slowed down because the public sector is also going through difficulties in terms of replacement parts."

He mentioned the "FAS" Company, a manufacturer of pens, pointing out that it is even exporting "Bic" type pens, satisfying domestic demand while obtaining 90 percent of its supplies domestically.

This businessman does not look at the future with optimism, unless some solution is provided for the replacement of machinery.

The crisis has not spared any sector of the economy, and that is why several industrialists have quite simply turned themselves into importers of products that are easy to sell, such as alcoholic beverages or finished products.

Proposed Investment Code: Advantages Detailed

93AF0080B Algiers LIBERTE in French 21 Sep 92 p 4

[Article by H. Tiah: "Government Program and International Investments: A Reassuring Option for Foreign Partners"—first paragraph is LIBERTE introduction]

[Text] Abdesselam's end goal is to set up a free market economy. In more than one respect, this is a reassuring choice for foreign partners and international financial institutions, which will enjoy the additional support of long-awaited political and legal guarantees.

The new Abdesselam is here! At first sight, the government's plan of action reflects the major constraints that prompted it to proclaim austerity, precising, however, that

"this is neither the expression of an ideological choice nor any sort of attachment to planned economy." Rather, it is a choice objectively imposed by the crisis. Abdesselam deliberately reiterated his choice of free market economy, stressing the role of foreign partners and international financial institutions.

"To trigger some revaluation of the dinar and enable the government to improve its regulation work, a multiple exchange rate will be established for a three-year transition period, in cooperation with the IMF and in compliance with IMF by-laws, to which Algeria has subscribed. The end objective remains the free convertibility of the dinar and the institution of free market economy." Previous commitments, therefore, will not be thrown back into question. There is even some talk of a new incentive policy favorable to foreign partners who will be supported by political and legal guarantees. Thus, the government considers that one of its essential missions is to "hasten" the resumption of the democratic process by working to restore a climate of serenity in the country. Note also that electoral rolls are currently being revised, and that security camps continue to be shut down and detainees released. This will a fortiori reassure western States, which are quite particular when it comes to human rights.

The dialogue between the HCE [Higher State Council] and the opposition will serve to defuse, and especially to revive, political life, which had slackened off as a result of the state of emergency. Simultaneously with the redeployment at a political level, the economic boost advocated by Abdesselam provides considerable status for foreign investors in the production and service sectors. From now on, "foreign investors may choose direct investment or joint ventures with public and private Algerian operators."

To this end, the government is planning to publish a foreign investment code, something that was badly needed. This ad hoc legal framework will no doubt help to attract foreign partners, which have always demanded guarantees. In this context, the law on currency and credit and the commercial code will be revised. Foreign participation in the capital of any nonstrategic public company will be limited to 49 percent. However, participation in an EPE [public economic enterprises] subsidiary may exceed that limit, except for the development of oil and gas deposits, for which the public company must retain at least 51 percent of the shares.

The famous 49-51 percent clause, therefore, is maintained. This condition, which reflects the principle of national sovereignty, was often criticized by foreign partners. Besides, foreign companies did not exactly rush in after the oil and gas law was adopted in 1991. The government acknowledged that fact in its statement. We may therefore say that foreign partners would tend to favor direct investment for at least two reasons: to get the full benefit of specific exchange-rate advantages, and above all to avoid getting into partnerships with ailing companies that would need additional funds to be overhauled. The "austerity" government, finally, chose two new instruments: the creation of free zones and a free foreign-currency market through official public and private agencies. This will make it easier for foreign partners to import the equipment required for their activities, as they will avoid irksome customs procedures and red tape; mostly, they will benefit

from a favorable exchange rate compared with the present rate offered through banks. Better still, they will be able to control the foreign-currency market by setting up their own agencies.

The general economic setup advocated by Abdesselam is undeniable geared to foreign investors' contributions and to the availability of international financial institutions to help Algeria get over its critical stage and, above all, out of the vicious borrowing-repaying circle. The foreign debt service alone has absorbed over 70 percent of foreign-currency resources since 1989. Even with all these advantages, Abdesselam estimates that it will take at least five years to see the light at the end of the tunnel. Meanwhile, make way for austerity.

Bread on Black Market Creates Shop Shortages

93AF0086A *Algiers EL WATAN* in French
1 Oct 92 p 17

[Article by J. Loukil: "The Black Market in Bread"; first paragraph is *EL WATAN* introduction]

[Text] *It is a well-known fact that a baker gets up early. While everyone is seeking repose in sleep, the baker is busy kneading and baking the dough so that the customer (who is no longer king!) can "take possession of" his bread in the morning while it is still hot and crisp.*

Oran (From our bureau)—For some time now, however, the customers have also been obliged to get up early and stand in line at the entrance to the bakeries, "el Kouchat," [Arabic] is therefore to have the "privilege" of finding bread there.

The lines of waiting customers continue to form throughout the morning. If you unfortunately have not had the patience—or the courage—to wait for the morning to come it will cost you dearly, because after noon you will have to travel several kilometers to find enough of this food product.

By afternoon the great majority of the bakeries have only pastries to offer their customers.

In this way it is quite often possible to satisfy the numerous mouths to feed by serving a meatless meal, but is this the reason why bread has become so scarce?

In the opinion of the bakers we met in Gambetta and at the USTO [expansion not given], the flour shortage and the growing population are partly responsible for the scarcity.

In fact, the bakers all admit that they do not always have enough flour to enable them to meet the demand.

The poor quality of the flour and of the yeast is also given as a reason. At the USTO, one recently installed baker said he had been obliged to "grease the palms of certain [government] employees" in order to gain possession of his shop.

Every day, however, you can find bread in the parallel markets. In the late afternoon in the Rue de la Bastille, for example, you will be offered a loaf of French bread for as much as 4 DA [Algerian dinars]. The ordinary citizen does not doubt that there is complicity between these retail merchants and the bakers. When questioned about this hypothesis, the bakers totally reject it; they say they have

difficulty distinguishing these merchants from the genuine customers and that in the final analysis they cannot refuse to sell them bread.

We have seen for ourselves, however, that some bakers destine a substantial part of their production to the black market in bread; they will sell approximately 200 loaves of French bread to a single individual who then takes them away in a cart. What is their destination?

In this way the sale of a baker's entire production is assured without difficulty. Not all bakers are alike, of course; there are still some for whom baking bread is more than a mere commercial operation.

For example, this young baker is following the same trade as his father, who had done likewise where his own father was concerned. Baking bread is ceasing to be a traditional occupation, however....

Figures on Grain Production Reported

93AF0037E *Algiers ALGER REPUBLICAIN* in French
20 Sep 92 p 6

[Article by R.N./APS: "Grain Production: Savings of \$135 Million"]

[Text] Algeria this year will save \$135 million in grain imports, thanks to the increased production documented during the current threshing and harvesting season.

The augmentation of grain production will mean a 1-million-ton reduction in imports of durum and soft wheat, according to OAIC [Interoccupational Algerian Grains Office], APS reports. Readers are reminded that Algeria is the destination of 50 percent of the world's durum wheat exports.

Wheat Harvest

Apart from seed stores collected, production of soft and durum wheat in the second half of September reached a total of 12 million quintals [1 quintal = 100 kg].

This means a 9 percent bigger harvest than last year.

The profit-sharing scheme for producers—funded by a 13-billion-dinar appropriation to OAIC—and this year's good rain distribution are two factors that have led to the improved harvest.

Minimum prices guaranteed to producers at point of delivery were also revised upward for 1992. The price of durum wheat was fixed at 1,025 dinars per quintal, with soft wheat at 910 dinars.

The price of dried beans was set at 2,970 dinars per quintal, lentils at 2,525 dinars.

By the end of the season, total grain production apart from seed will amount to 16 million quintals, according to APS. The durum wheat harvest will come to more than 9 million quintals, or 1 million more than the preceding harvest.

Nonetheless, there has been a decline in several types of grains. OAIC's deputy general manager explained to APS that the decline in certain grains such as barley and oats is the result of some farmers holding on to part of their production instead of turning their entire harvest over to

OAIC. The retained production will be used to feed their livestock or held for speculation.

More than 50 percent of the nation's grain production is collected by OAIC. This year's total production is expected to come to about 32 million quintals, compared to 1991's record 36.5 million quintals.

Dried Beans

Production of dried beans has also noticeably increased this year.

OAIC has collected 237,000 of the 600,000 quintals of expected production, according to OAIC officials as reported by APS. This means a 270-percent increase over last year may be in the works.

Leather, Textile Sector 'Seriously' Hit by Crisis

93AF0037A *Algiers ALGER REPUBLICAIN* in French
20 Sep 92 p 5

[Article by F.B.M.: "The Specter of Cutbacks"]

[Text] Workers in the leather and textile sector, along with those in building and public works, have been hit hard by the recession.

Shortages of raw materials, maintenance problems due to lack of spare parts, and mismanagement have become commonplace in this once-flourishing sector. Workers are haunted by fear of manpower cutbacks.

The program of the Abdesselam government, adopted by the Council of Ministers last Saturday, calls attention to all these socioeconomic realities. And to avoid offering nothing but promises, the government has already announced the first concrete decisions: BTPH [building and public works] and EPLs (local enterprises) are the first beneficiaries, with payment of wage arrears up to 30 September, freezing of uncovered bank overdrafts, viable EPLs, etc.

The authorities are apparently trying to project the image of responsible officials who do not want to get dragged into futile, time-consuming discussions that ignore the real problems working people face, since unless those problems are addressed, the sought-after economic recovery would be crippled.

Although there may be glimmerings of hope in the building and public works sector, leather and textile workers are still plunged in uncertainty. The following statistics paint a vivid picture of the sector's malaise:

Technical leave of absence, with loss of salary:

- EMAC - 500 workers, 45 days;
- EMAC - 800 workers, 15 days
- ECOTEX - 530 workers, 45 days.

Reduction of work time to 50 percent of normal, with loss of salary:

- ENIPEC - 850 workers, 30 days;
- EMAC - 250 workers, 30 days;
- ECOTEX - 280 workers, 60 days.

Reduction of work time to 75 percent of normal, with loss of salary:

- ENIPEC - 600 workers, 60 days;
- ECOTEX - 300 workers, 15 days.

The cost-cutting steps will affect all workers except managerial staff. Moreover, some welfare programs are going to be eliminated, such as soup kitchens, staple subsidies, transport subsidies, etc.

Reduction of work time:

- SOITEX - 2,800 workers;
- ECOTEX - 2,800 workers;
- EMAC - 2,600 workers;
- ENIPEC - 1,580 workers.

Technical leave of absence:

- ECOTEX - 3,200 workers;
- SOITEX - 800 workers;
- EMAC - 750 workers;
- ENIPEC - 320 workers.

Layoffs: ENIDEM - 28 workers.

All the enterprises are having financial difficulties, which naturally has led them to freeze hiring and not replace voluntary departures.

Other enterprises are considering work-force layoffs in 1992: ENIPEC, 25 percent; ECOTEX, 32 percent; and EMAC, 20 percent.

All of this gives some idea of the true severity of the problems, which is often hidden by politicians who prefer to talk our ears off about the "national reconciliation" issue while workers are scarcely able to feed and clothe their families and enterprises are on the verge of bankruptcy.

For once, at least to judge by the Abdesselam program, the authorities are turning their attention to the forces that count, notably the UGTA [General Union of Algerian Workers], which is taking a position that is simultaneously inopportune, realistic, and responsible in the patriotic sense of the term.

Leather and textile workers and their union representatives with whom we talked have told us that while they hope to see their problems resolved, they remain open to dialogue in an effort to find equitable solutions that do not endanger the enterprises that provide them a living. Could this be a first step towards trust?

Oran: Workers Laid Off Due to Financial Problems

93AF0102C *Algiers EL WATAN* in French
13 Sep 92 p 2

[Article by Oran correspondent J. Loukil: "TPL (National Long Products Processing Company): Layoffs"—first paragraph is EL WATAN introduction]

[Text] During the whole summer, several state-owned companies were forced to lay off workers, while others chose to put them on standby. Lack of supplies, poor management, and debt problems were often the main reasons mentioned.

Oran (from our bureau)—Now it is the turn of TPL [National Long Products Processing Company], a state-owned company headquartered in Oran, to lay off workers for the month of September. This measure affects the Oran, Sig, Annaba, and Reghaia production units, i.e., about 1,000 employees or one-third of the company's labor force. The TPL manager emphasized that this layoff is no cause for concern and that the situation of the company still remains favorable.

The decision, made after consultation with the unions, was dictated by the 25- to 30-percent increase in the Tiaret project raw material consumption; second, by the difficulties encountered in importing raw material, due of course to the foreign-currency scarcity; and, third, to the fact that the leading Algerian supplier, El Hadjar, is now experiencing problems and is no longer in a position to supply adequate quantities.

In 1990, El Hadjar supplied 87,000 metric tons of materials to TPL; in 1991, 54,750 tons; and 19,300 tons during the first quarter of 1992.

We had to import 28,500 metric tons of raw materials, but that was not enough.

The strategic importance of TPL is well documented: an auxiliary to the heavy industry, the company operates in sectors as important as the construction and the agricultural sectors. The layoff measure caused some concern, especially in construction and civil engineering companies; this sector was regaining confidence and perking up following the prime minister's encouraging statements, when their main supplier (round reinforcing bars, steel mats, lightweight girders) weakened. Bad luck...

The TPL management's first concern is to reassure their customers. If the situation at El Hadjar shows signs of recovery, we can expect an improvement in the next few months. But would that be enough to prevent an extension of the layoff? TPL has considered the possibility: "We can rely only on domestic sources of supply. We are forced to import and it takes a very long time to finalize contracts. We must sign financing agreements, and this does not put us in a strong position. In our search for the contract that is best for the company, we do not hesitate to go beyond bordering countries. For instance, we went all the way to Brazil, as it offered very favorable prices."

Like many other state-owned companies, TPL is obviously handicapped by current economic conditions; nevertheless, Mr. Bouthatcha remains optimistic.

In this respect, the circular dated 18 August, concerning the hierarchization of priorities in allocating foreign currency, is a good thing. The scarcity of foreign currency forces us to draw up a list of priorities.

In the immediate future, we see no other solution.

The company's strategic weakness, due to its dependence on imports, prompts the management to contemplate, among other projects, that of a ministeel industry jointly with partners, in order to remedy the steel-wire supply problem. Development programs will continue with a view to creating a semipublic company. In the immediate future, the TPL management expects much from a new product that is about to be introduced on the market, a

three-dimensional structural panel that provides definite advantages in terms of resistance to earthquakes.

All the same, the position of the TPL company remains shaky.

Figures on Layoffs, Sectors Affected

93AF0102D Algiers *EL WATAN* in French
15 Sep 92 pp 1, 3

[Article by Omar Berbiche: "Layoffs and Personnel Reductions: Painful Choices"—first paragraph is *EL WATAN* introduction]

[Text] The employment situation offers no cause for optimism. In all of the country's wilayah, job losses are considerable and compound an already dismal situation. The Algiers wilayah, for instance, is not spared by this hemorrhage: between 1 January and 31 August 1992, no fewer than 106 different labor disputes resulting in 36 strikes were recorded; 27 of the strikes were against public-sector companies. The construction sector has the worst record: nearly one-half of the strikes occurred in this sector, traditionally a major job purveyor.

This bitter observation was made yesterday by the Algiers wilayah factory inspectorate on the occasion of the visit of the minister of labor and social affairs, Mr. Maamar Benguerba. However, it is just a partial assessment, as a factory inspector made a point of stating in the minister's presence. It could use some updating based on the statistical data in the possession of companies which, under the new regulations, no longer have to report systematically to factory inspectorates all the employment-related matters that used to be within the competence of these bodies.

This remark applies mostly to major employment trends. It would take a clever man today to say exactly how many workers were laid off for various reasons. Neither union headquarters, nor of course factory inspectorates are in a position to provide reliable data concerning the overall situation both at regional and at national level.

In the Algiers wilayah—still according to data provided by the wilayah regional inspectorate, which therefore should be completed from other sources—there were 440 layoffs as of 31 August 1992, for a reported total labor force of 400,000 (74,000 of whom were working in the private sector) in the local economic fabric consisting of 4,720 companies.

The reasons mentioned by employers are well-known: too many employees, financial problems, constraints with respect to raw material supplies, etc. These are the arguments put forward in their talks with unions by the companies that have recourse to this approach; an approach which, according to factory inspectors, is somewhat expeditious, as they pointed out in front of the minister yesterday. "Doesn't the solution reside in rationalizing company management?", a factory inspectorate official asked.

The deleterious climate that characterizes our companies results in social and economic costs which got the better of some production units.

These either went into liquidation, or engaged in drastic personnel cutback operations, while some managers chose

a middle way: laying off workers without pay, which is akin to failure under another name.

Of 36 companies experiencing difficulties, as reported to the Algiers factory inspectorate whose field of activity extends all the way to the Boumerdes wilayah, 18 were from the industrial sector, 15 from the construction sector, and three from the service sector.

The state sector had the lion's share, with 22 companies, compared with 13 private companies and a single foreign company.

In the private sector, companies in the textile, plastic, and leather and pelt industries are the ones most affected by uncertain economic conditions, due to difficulties in procuring raw materials.

Labor conflicts revolve essentially around issues having to do with wage revaluation, sometimes with the fact that wages have not been paid for several months, with collective bargaining, even with overall working conditions. Arbitration committees are swamped with complaints, both individual and collective. In the Algiers wilayah, which has just established such bodies, more than 3,000 individual complaints were received by the various arbitration committees; to these should be added about 180 collective complaints, and 175 formal notices.

As of 31 August 1992, over 850 nonconciliation reports were drawn up. Factory inspectorates, for their part, in addition to being given limited means, were deprived of most of their prerogatives with respect to labor dispute arbitration; these were transferred to arbitration committees, which are being set up with difficulty. This difficult transition will not make things better for labor.

Hence increasing social unrest that spreads to companies that used to be the pride of the country's economy; this is something new and worrying.

Between the spontaneity of the dean of the Algiers wilayah factory inspectors, who expressed his concern in front of the minister of employment, pointing out that workers are still paid 1,300 Algerian dinars per month, in violation of wage laws, and the realism of the minister, who sees the challenge today rather in terms of job preservation, while showing firmness when it comes to applying the law, we will have to strike a balance to reconcile the company's and the workers' interests.

The minister of labor, yesterday, tried to sound reassuring: "Solutions can be found," he said, "at least as far as principles are concerned," he made a point to add.

The government's action program, which will remain secret until it is examined by the HCE [Higher State Council], will reveal how the government intends to solve this difficult.

Firms in Bouira Reportedly Unable To Pay Workers

93AF0065C Algiers LIBERTE in French
24 Sep 92 p 11

[“Workers Unpaid in More Than Seven Firms”; first paragraph is LIBERTE introduction]

[Text] (APS)—*It is no longer a secret. Firms that are closing and putting their workers on leave or laying them off are now part of the daily scene..*

As this economic and social year gets underway, the world of labor in the Bouira Governorate is suffering tremendously from the difficulties being encountered by the local state-owned enterprises, which cannot even pay their workers' wages. That situation is said to be threatening the future of over 1,000 workers.

This is the case in particular with the governorate's rural engineering construction firm, which employs about 364 workers and is currently at a standstill because of its huge financial deficit at the end of last year (estimated at 6.5 billion centimes). It has not met its payroll for the past four months, and the amount in arrears now totals 670 million centimes. That does not include unpaid taxes (780 million centimes) or contributions to the social security fund (2.3 billion centimes).

A member of the governor of Bouira's staff who is responsible for monitoring developments in those firms says that "the lack of cost planning is the basic factor when it comes to explaining those negative results, and this despite their considerable potentialities, which remain underutilized."

Regarding solutions, the firm's managers say they consist of "a resumption of cost planning and the granting of subsidies, although that latter measure will generate financial costs, and the firm will be unable to cope with that." [sentence as published].

But the union representatives of the workers, who have not been paid their wages for nearly five months, sounded the alarm during their strike last April.

Elsewhere, Bouira's joint intermunicipal passenger transportation enterprise, which employs 187 people, is experiencing the same financial difficulties—to the point that it has been unable to pay its workers their wages. At the end of 1990, its debts totaled 1 billion centimes, not including unpaid wages totaling an estimated 270 million centimes. The firm's managers explain the deficit situation by pointing to the higher cost of spare parts, fuel, and so on and the fact that fares have not gone up fast enough to cover those financial expenses.

Firms of another kind—those specializing in construction—are also experiencing similar difficulties because of wage increases, the very high cost of building materials, and the lack of cost planning. That is the situation at the Sour El-Ghozlane Municipal Construction Enterprise, which has not paid its 44 workers for three months; the Bouderbala Municipal Construction Enterprise, which suspended wage payments to its 71 workers three months ago; and the Cheurfa Municipal Construction Enterprise, which filed for bankruptcy without paying its 94 workers their wages.

Last, it should be pointed out that even the governorate's fruit and vegetable cooperative has been unable to pay its workers their wages for the past nine months. The cooperative is even facing the possibility of either filing for bankruptcy or merging with another enterprise.

Family Planning Center Opens; Service Praised
93AF0065B Algiers LIBERTE in French 27 Sep 92 p 11
["Danger of Population Explosion"; first paragraph is LIBERTE introduction]

[Text] *A family planning center was inaugurated at the Jean Kraft Hospital in Oran last Saturday by officials from the health department of the governorate of Oran and members of the local committee of the Algerian Family Planning Association [AAPF] in the presence of the AAPF's vice president.*

As the chief physician of the Jean Kraft Hospital explained, the organization's objectives are as follows: to sponsor meetings with couples for increasing their awareness and providing them with health education, to improve family planning services by providing couples with the appropriate means of contraception, to provide follow-up services and biological checkups for women using contraceptives, and especially to provide information, education, and communication directed at young

people and couples. The center's originators will also contribute to the ongoing training of medical teams specializing in family planning. Concerning the inadequate supply of contraceptives, the vice president of the AAPF said: "It is true that means of contraception, and the pill in particular, are in terribly short supply, and while they can be found in some pharmacies, they are sold at excessive prices ranging from 150 to 200 dinars per box. The AAPF is unable to eliminate this problem completely, but thanks to agreements with international associations and organizations, it is helping to overcome the shortage by making those resources available to the PMI [small and medium-size industries]." Mrs. Benhadid admits that "just talking up the merits of this operation is no longer doing the job. It is time to be more ambitious and to focus efforts on providing services—and that includes making contraceptives available at reasonable prices—and information." On that specific point, the speaker asked for help from the mass media in making the entire population aware of the danger of population explosion.

NTIS
ATTN: PROCESS 103
5285 PORT ROYAL RD
SPRINGFIELD VA

2

22161

|||||||||||||||||

This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be

provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.